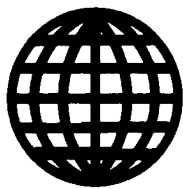


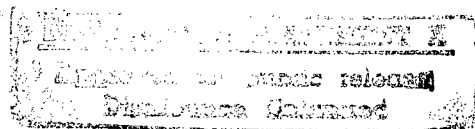
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Near East & South Asia



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REGIONAL AFFAIRS

Egyptian Islamists Under Observation in Yemen

92AF1273A London AL-HAYAH in Arabic 11 Sep 92 p 15

[Article: "300 Egyptian Fundamentalists in Yemen"]

[Text] Yemeni political and security circles have expressed deep interest in press reports that state that 300 Egyptian teachers who are members of violent fundamentalist organizations are now living in Sanaa and other Yemeni cities where they teach at ulema institutions supervised by Yemeni Brotherhood leader 'Abd-al-Majid al-Zindani.

It is rumored in Sanaa that those Egyptian teachers organize sessions to educate elements of the Muslim Brotherhood in Yemen and that they are in the habit of receiving and sheltering—in camps belonging to the Shaykh Hasan al-Turabi's organization in Khartoum—certain Egyptian activists, as well extremists fleeing Upper Egypt.

It was learned from Yemeni security sources that the police have targeted a number of al-Turabi followers who reside in Sanaa and are active in the politics of the so-called World Islamic Conference, which is sponsored by Sudan's National Islamic Front.

Better Relations Between Egypt, Sudan Foreseen

92AF1230A London AL-SHARQ AL-AWSAT in Arabic 19 Aug 92 p 4

[Article from Khartoum, Nairobi, and Cairo bureaus]

[Text] Sudanese officials strongly criticized suggestions made by officials of some international relief agencies asking the Security Council to interfere in the southern Sudan war issue. Sudanese officials also warned against any foreign interference in Sudanese internal affairs. These same officials thought that some relief agencies would like to repeat in southern Sudan what had happened in Somalia when there was international interference to guarantee safe arrival of relief aid.

The Sudanese Government also refused suggestions by some international relief agencies for the evacuation of the city of Juba. The relief and rehabilitation administration in Khartoum described these international relief agencies' suggestions as siding with the Qarnaq's Citizens Movement for the evacuation of Juba. In a special declaration issued by the Sudanese administration, it was stated that the demand of these agencies to the Security Council to issue a resolution regarding southern Sudan would be considered by Sudan as an unacceptable interference in Sudan's internal affairs, as well as a violation of Sudan's sovereignty, independence, and unity.

In Khartoum, the official newspaper AL-INQAZ AL-WATANI published an open letter from Brigadier General al-Tagani Adam al-Taher, a member of the al-Inqaz

revolutionary council, to relief agencies asking them not to "interfere in the internal affairs of Sudan." Meanwhile, al-Taher emphasized his country's willingness to cooperate with those agencies.

Directing his speech to those agencies, he said: "you must realize that we will not allow any interference in our internal affairs, or any violation of our sovereignty or dignity."

Al-Taher further questioned "under which authority do humanitarian agencies working in Sudan demand the evacuation of the residents of a Sudanese city?" He then continued: "this action is a gross interference in our affairs."

Brig. Gen. al-Taher added that: "the Sudanese Government" offers great hospitality to regional and international agencies working in good faith for humanitarian purposes, and the government is also ready to cooperate with them."

In another move, the Qarnaq Movement threatened to shoot any UN relief planes when they resumed their emergency airlift to the city tomorrow.

Aliga Maluk, head of the aid wing in the Qarnaq movement said that there was an agreement regarding safe passage of those flights, which stopped one month ago, after the Qarnaq movement accused the Sudanese Government of using planes carrying the UN emblem to transport weapons and troops to the city of Juba.

The United Nations declared the day before yesterday that it would resume tomorrow, Thursday, flights carrying food and other supplies for about 300,000 people who were dying of starvation in Juba. When the Sudanese Government used UN planes to transport weapons and soldiers to Juba, the Qarnaq movement withdrew its guarantee for safe passage of planes carrying humanitarian assistance. For this reason the United Nations had stopped relief flights on 18 July.

Another incidence is the death of Makki 'Abd-al-Qadir, the secretary of the Sudanese syndicate of journalists during the democratic period and managing editor of AL-MIDAN, at that time, the voice of the communist party.

Makki died in his voluntary hiding place to where he resided since the military coup on 30 June 1989.

His friends related that he was down with typhoid fever while he was in his hiding place, and he kept refusing to be checked by a physician for fear that the authorities would catch him. His body was taken to his home after he passed away.

Before his death, Makki had been responsible for publishing the AL-MiDAN underground paper.

In another turn of events AL-SHARK AL-AWSAT paper learned from reliable sources in Cairo that the new date for the opening of the new Sudanese Consulate at Aswan would be determined in a few days. It had been decided to put up a consulate in the Aswan Governorate because of the increase of consular services provided to Sudanese citizens coming to Aswan across the "complimentary border region." These services had been previously available only through the Sudanese Consulate in Cairo.

Sources indicate that the setting up of this consulate at Aswan will contribute to increased trade between the two countries across both land and sea borders. This increase would come about because of the extra services that the new consulate would provide for Sudanese citizens, as well as for Egyptians wishing to travel to Sudan.

Sources mentioned that there were contacts between Egypt and Sudan during the last few days in order to end the new crisis between the two countries. Cairo thought that this crisis resulted from the mistreatment of Egyptian citizens by Sudanese authorities at Khartoum airport. Sudanese authorities at the airport would detain Egyptians, question them for a long time, then decide to expel them and turn them back to Egypt.

The situation grew worse when Egyptian authorities decided to retaliate. They refused entry to a Sudanese delegation that came across the sea border to take part in celebrations for the opening of the new consulate at Aswan. The delegation was sent back to Sudan as a retaliatory procedure.

Ugandan, Sudanese Missile Smuggling Foiled

92AF1273C London AL-HAYAH in Arabic 12 Sep 92 p 4

[Report from London by Mu'awiyah Yasin: "Attempt Fails at Smuggling Missiles from Florida to Sudanese Rebels"]

[Text] Press reports indicate that the government of Ugandan President Yoweri Museveni has decided to mortgage its embassy building in Washington's suburb of Manhattan [as published] in order to raise \$1 million in bail money set by a federal court for the release of (Innocent Bisangwa), private secretary to the Ugandan president, who was arrested in Florida last month when U.S. Customs foiled an attempt at purchasing 400 TOW antitank missiles. It is believed that Uganda was given funds to purchase the missiles for the "Sudanese People's Liberation Army."

AFRICA ANALYSIS, a bulletin published in London, reported that the Ugandan ambassador in Washington was detained for the same reason, but was released because of diplomatic immunity.

A Ugandan foreign ministry spokesman told AL-HAYAH yesterday that Kampala denied Washington's request to lift the ambassador's immunity.

The bulletin said that the thwarted deal, valued at \$18 million, involved the purchase of 400 TOW antitank missiles and 34 launching pads. The publication added that U.S. Customs agents had the operation under surveillance for about 14 months.

Although reports indicate that the Ugandan ambassador personally inspected the missiles at a depot in Orlando, Florida, he denied any knowledge of the case when questioned by Customs officials at the hotel where he was staying prior to his return to Washington.

Joseph Henderson, local Customs director in Orlando, said that the missiles and launching pads were ready for shipment to Uganda, but the aforementioned bulletin said that "there is strong circumstantial evidence that they were being sent to People's Army troops." It pointed out that the weapons were meant to support that army, which is commanded by Colonel John Garang, in its drive to occupy Juba, the largest city in the south of Sudan.

The bulletin said that Bisangwa, who is in charge of coordinating relations between the President Museveni's office and the People's Army, had made frequent visits, "standing-in for his country's president," to areas under Garang's control in southern Sudan. It added that the missiles would have been transferred from Uganda to southern Sudan via one of two border towns of Nimule and Kaia and that Col. Garang has been using the latter for his army's headquarters after Torit was recaptured by Sudanese Government forces.

A diplomatic source at the Sudanese embassy in Kampala told AL-HAYAH, however, that Garang is currently encamped at the border town of Kajo Kaji and that his deputy, William Nyuan is encamped at Pageri, some 90 miles from Juba. The bulletin added that the plan was to use the American missiles to neutralize the tanks that Iran has supplied to Sudanese Government forces.

Southern Sudanese politicians in Western Europe said that they have information that Garang is currently in Uganda on an unannounced visit, but his aides in Nairobi told AL-HAYAH that he was at the command of his army in the jungles of southern Sudan. A Sudanese embassy spokesman in the Ugandan capital said, however, that Garang is frequently in Uganda.

He pointed out that his country, under the terms of a mutual security pact with Khartoum, has established numerous observation points at which Sudanese officers are stationed to inspect goods shipped from Uganda to the Sudan. He said that the pact gives Uganda similar privileges but that "they did not send officers to their observation points."

Dr. Ali al-Haj, Sudanese minister in charge of government negotiations with the southerners, said in Khartoum that his country is not totally sure that Uganda has stopped its support to Garang fighters. He described relations between the two countries as "good on the official level."

The AFRICA ANALYSIS bulletin said that foiling the American missile deal "was a harsh blow to the enemies of the Khartoum regime."

It is to be noted that Sudan shelters the troops of former Ugandan president General Tito Okello. Museveni fears that his country's northern territory may be isolated if Okello were allowed to resume his attacks on Uganda.

Sudanese Students Under Surveillance in Egypt

92AF1273A London AL-HAYAH in Arabic 14 Sep 92 p 4

[Report from Cairo and Asyut: "Egypt Adopts Security Measures Against Sudanese Students"]

[Text] AL-HAYAH has learned from informed Egyptian security sources that Egyptian security agencies have adopted special surveillance measures against Sudanese students enrolled in Egyptian universities and institutions during the scholastic year that officially begins next week.

Sources said that those measures were adopted "in light of information received by the security apparatuses that Sudanese [students] returning from their country may help extremist organizations with funds and messages. This was supported by investigations into the terrorist organization that security forces recently uncovered in Alexandria. The organization consisted of five elements of various Arab nationalities."

Sources added that the Egyptian measures "come under the heading of preemptive security measures in case extremist organizations in Egypt receive special assignments from Sudan's 'National Islamic Front,' which has been proven to provide those organizations with training and to maintain contact with them."

The sources emphasized that such preemptive measures "will not impede the movements of the Sudanese or deprive them of their right to study and receive education. The measures will target certain Sudanese security risks who act as liaison officers between Egyptian extremists and the Islamic Front."

In another development, security forces in Asyut continued to comb the farmlands surrounding the Kudyat Mubarak [as published] village and neighboring hamlets. The forces arrested 18 Jihad organization members suspected of shooting and injuring Captain Hasan Muhammad Hasan and soldiers Khalid Ibrahim and Nasir Mahdi. The incident occurred three days ago.

The shooting of the officer and two privates remains under investigation by the Dayrut prosecutor's office under the direction of counselor Muhammad Husayn al-Yamani, attorney general for Asyut. Safwat Makadi, chief prosecutor of Dayrut, took the statements of Capt. Hasan Muhammad Hasan and Private Khalid Ibrahim. Ashraf Mas'ad, first deputy prosecutor of Dayrut, took the statement of Private Nasir Mahdi 'Abd-al-Jawad,

who was in the car with the Ma'mur (chief of police) and who testified that the perpetrators were three unknown men.

Al-Fayyum's Director of Security Majdi al-Basyuni told AL-HAYAH that security forces were able yesterday to arrest Fathi 'Ali 'Arfan, 30, a native of the village of Sinro Babshway [as published] in the al-Ganayin region. The suspect is accused of the attempted murder of Sha'ban 'Abd-al-Tawwab, whom he believed to have informed on him to al-Mabahith (investigation division).

He added that "the suspect belongs to al-Shawqiyun Group, which is known for its extremism. His arrest will enable security forces to arrest other extremist fugitives." He pointed out that intense security measures have been taken in al-Fayyum as of yesterday, when the trial of the murderers of Major Ahmad 'Ala'-al-Din began.

General Mahmud 'Antar, Qina's Director of Security, told AL-HAYAH that "things are quiet after the killing in a Suhaj apartment of five extremist leaders including the murderers of Qina Secret Police Detective Mukhtar Dawud."

Another security source said that "intensive security drives are now being waged for the apprehension of fugitive Badr Makhluaf, a Jihad leader involved with the '62 Organization," which was apprehended in Alexandria."

PALESTINIAN AFFAIRS

Territories Poll on PLO, Peace Talks, Islam

92AE0580A Nicosia FILASTIN AL-THAWRAH
in Arabic 2 Aug 92 pp 18-22

[Article: "Maqdes for Strategic Studies; Interim Government Led by Fatah; Concept of Palestinian Regime"]

[Text] This survey concerns the political health of the Palestinian people. It also sketches the features of the Palestinian regime. The survey warrants an analytic, in-depth study, but a quick look indicates that the Palestinian people are ready for democracy. Palestinian democracy will be a new addition, in form, substance, and meaning, to the Arab system, and even to the region and the Third World.

Edition No. 16 of AL-NASHRAH AL-ISTRATIJIYAH was published by the Jerusalem Center for Strategic Studies [Maqdes], directed by Sari Nusaybah. It contains an excellent political survey, which is the first of its kind in the occupied territories since 1967. Research was conducted by a special team for three consecutive months.

In its introduction, AL-NASHRAH cautions against continuing the state of "on again, off again" negotiations. According to this poll's results, the negotiations

are considered a technical renewal of the nonwar, non-peace condition. Continuation of this state for years would increase extremism in the ranks of the citizenry. It would also lead to tangible growth in the strength of Palestinian opposition, because this situation is linked with the masses' aspirations for the indefinite future.

One of the differences noted in this poll is that voters in the West Bank and Gaza Strip concentrate first on the candidate's competence and then on his political affiliation. There is also lower esteem for former prisoners, traditional personages, academicians, and trade unionists.

The poll proved that the majority of voters adhere to the democratic option, which constitutes a big improvement over domestic violence, fabricated and exercised by a few, but dragging all into its sphere.

The study and the poll included other valuable data about voting at regional bases, including cities, villages, and refugee camps; preference for candidates by age groups; the gender of the candidates and voters and its role in elections; the role of education and culture in the election process; and, finally, the role of family and the influence of relatives over voters.

The study included a group of explanatory tables relating to these topics, in addition to other supporting tables that clarify these relationships in detail and with considerable courage and complete impartiality.

Maqdes estimates the current number of eligible voters in the West Bank and Gaza Strip at 850,000. The poll sample totaled 1,000 citizens of various areas, income levels, and education. Of those surveyed, 57.2 percent were male, and 42.8 percent were female. Muslims totaled 95.1 percent, and Christians totaled 4.5 percent, with .4 percent from other religions. City dwellers made up 50.1 percent, with 25.5 percent from villages and 24.3 percent from refugee camps. Some 56.4 percent were West Bank and Jerusalem residents, and 43.6 percent were from Gaza. Married subjects totaled 51.3 percent, and 46.3 percent were single. Some 20.8 percent belonged to a family ranging in size from 1 to 4 persons, while 42.5 percent were from families of 5 to 8 persons, with 36.7 percent from families of more than 9.

The following is a review of some of this poll's results.

Composition of First Government

The poll confirmed the strength of the unionist view held by citizens of the West Bank, Gaza Strip, and Jerusalem vis-a-vis nationalist forces in the occupied territories. Slightly more than half of those polled transcended the one-sided political partisanship that is expressed by one faction or another. Some 50.5 percent of the presumed voters expected the first Palestinian Government to be composed of a coalition of nationalist forces led by Fatah; compared with 9.2 percent who expected it to be made up of the Islamic Resistance Movement (Hamas) by itself, despite the latter's opposition to the settlement

process. Moreover, 18.4 percent of the subjects expected that it would be formed by Fatah only, while 3.8 percent thought it would be leftist forces only.

Fatah supporters total 60 percent of the electoral group (according to poll results). Of these, 12.8 percent prefer the first government be formed by Fatah alone; while 33.74 percent expect a coalition government led by Fatah; 3.9 percent expect that it will be formed by Hamas alone; and .54 percent prefer leftist forces over all others.

Voters who support the Popular Front for the Liberation of Palestine [PFLP] totaled 8.5 percent of those polled. Of this group, 5.23 percent expect the government to be a unified, national one led by Fatah; 1.3 percent expect a leftist government only, and .02 percent expect an Islamic government from Hamas alone. This indicates that more than half of the PFLP supporters favor the Front's participation in a government coalition with Fatah, like the present coalition in PLO organizations, especially the Executive Committee. This is despite the PFLP leaders' reservations about the entire peace process.

The poll highlighted a strong desire by voters of the Democratic Front for the Liberation of Palestine [DFLP] to form a government from a national coalition led by Fatah. However, 1.7 percent of the DFLP supporters rejected the option of Fatah forming the government alone. It should be mentioned here that there is a central thrust in the DFLP to participate in the settlement process, while a second trend wants to pursue a waiting game until the course of negotiations is determined. This participation might constitute a justification and a motive to insist on sharing the government, in one form or another, and, consequently, not to accept Fatah's singlehandedly forming that government.

However, what is the view of the voters of the Palestinian People's Party, which has entered the negotiations on Fatah's side with all its strength?

The fact is that out of its group of supporters, which totaled 5.3 percent of those polled, almost half (2.81 percent) prefer a national coalition government under Fatah leadership, and .43 percent expect it to be a leftist formation.

In any event, out of the group of National Movement voters, 9.2 percent are convinced that Hamas alone will form this government.

Upon examining the views of those polled concerning their preference for the program of one faction of the National Movement over other programs, it is clear that the predominant view among Palestinians in the West Bank and Gaza Strip confirms that they support, as the first option, the Fatah Movement, which gained 59.5 percent of total National Movement supporters; followed by the PFLP, which had 8.5 percent; the DFLP, with 1.8 percent; and the People's Party, with 5.4 percent. Therefore, the strength of main PLO factions

equals 75.3 percent of total National Movement strength. It should be noted here that 24.7 percent of the voters in this group did not support any of the aforementioned factions, which means that some of them should be counted as independents or supporters of factions who did not want to be named.

Palestine Liberation Organization

Does voting for the National Movement mean voting for the PLO?

We posed this question directly to subjects in the West Bank and Gaza Strip, in light of our belief in the integration between the homeland and the displaced Palestinians and in order to examine the subjects' views with regard to the objectivity of the relationship between the two sides. More than two-thirds of those polled confirmed the truth of this hypothesis, i.e., 70.4 percent of them; while 14.4 percent of those polled thought that voting for a National Movement candidate is not necessarily the same as voting for the PLO's candidate. Another 4.6 percent indicated that voting for the National Movement's candidate might mean voting for organizations that were outside of the front's coalition in the PLO.

It should be noted here that none of the subjects with whom we met refrained from responding to this question.

Islamic Movements

When the figures on those who preferred a religious candidate over a national candidate were tabulated, we found that approximately half of them were pro-Hamas (45.3 percent), while 40.5 percent thought that the preferred choice was any religiously committed person who was not ideologically affiliated with a specific religious orientation. This is not an insignificant percentage. Perhaps it indicates the number of Palestinians who do not believe that the existing fundamentalist movements necessarily express their Islamic judgements, on the basis that their Islamic, Muslim understanding is that a religiously committed person, and not necessarily a party or member of a specific religious trend, is preferable. In addition, the Islamic Jihad Movement garnered the support of 10.9 percent of the religious voters, while the Islamic Liberation Party got 3.3 percent.

In contrast, the Islamic movements enjoyed wider support in the Gaza Strip than in the West Bank. The percentage of their voters in the Gaza Strip totaled 10.98 percent of the total 42.9 percent, while in the West Bank, the percentage was 7.71 of the total of 56.3 percent, i.e., considerably lower than their percentage in the Gaza Strip.

When the actual strength of each of the two movements in the West Bank and Gaza Strip cities, villages, and refugee camps is examined separately, we find that the National Movement's stock with city dwellers is higher than in the villages and refugee camps. In the cities, 39.08 percent of the general total supported the National

Movement. In the villages, it was 15.83 percent; while in the refugee camps it totaled 12.98 percent. Islamic movement candidates got 8.98 percent of the total polled in cities, 5.9 percent in refugee camps, and 3.8 percent in villages. It is worth noting that candidates outside of the national or religious movements were supported by 24.5 percent of those polled in the three residential areas.

We may deduce from this that support for the National Movement in the cities totaled 56 percent, compared with 18 percent for the Islamic movements. In villages, the National Movement had the support of 62.9 percent of those polled, compared with 15 percent for the Islamic movement; while in refugee camps, it was 52.3 percent for the National Movement and 23.8 percent for the religious movement. When assessing the strength of the two movements separately in the cities, villages, and refugee camps, one should consider the fact that the percentage in each place alone equals 100 percent. This indicates that the National Movement's stronghold is in the villages first, cities second, and refugee camps third. As for the Islamic strength, it begins in the refugee camps, and then the cities and villages.

Negotiations and Their Relationship with Elections

Returning to the views of those participating in the sample, it is evident that there is a significant falling off in the percentage of religious and leftist opposition if the negotiations are successful, as opposed to if they fail, i.e., 4.8 percent and 3 percent successively. In contrast, in the event of success, supporters increased to 13.9 percent. This leads to the result that there is a not inconsiderable percentage of Palestinian people who have overcome the mindset and reality of political affiliation. Perhaps they fluctuate between various political tendencies and, consequently, are shifting from this square to that, depending on what the negotiations achieve.

In addition, it is clear that the quarter that achieves national gains or significant accomplishments will, without the least doubt, be more of a candidate to win the voters' confidence than any other. However, if there is a failure, i.e., the failure of the Palestinian peace negotiating strategy, and the efforts continue, that will lead to increased extremism.

The sensitive question that we see in this study, which is worth examining closely, is the proportion of probable votes for the supporter of negotiations, even if they succeed, amounting to just 51.8 percent. This is percentage is not what is needed and might indicate that a large number of citizens think that the concept of success is relative with regard to results expected from the peace process, since they might not necessarily satisfy the Palestinian people's minimum requirements. This result might also be an indicator of popular wariness regarding the nature of a future solution, whose features are still not clear in light of the psychological warfare and conflicting statements issued by the various parties.

Events Influence Voters

It is well known that any society is surrounded by a circle of influences that interact with the guiding forces of its citizens. Society's various segments have react to events in a manner that is commensurate with the degree of seriousness of the event, without ignoring its peculiar qualities or source. Any event imposes itself on various levels. Palestinian society reflects this concept, or rather, it is in the utmost harmony with it, as a result of circumstances that govern or were governed by its fate, which has continued to play nearly the same role.

Nevertheless, Palestinian society remains preoccupied with self-interest because of its need for independence—with regard to many matters pertaining to its future—equals man's need for the air that he breathes. Therefore, society gives considerable importance to local Palestinian events. This is clear from Table No. 10, which reflects the results of a question concerning indifference to developments that influence voters in the occupied territories, whereas events that fall under the category of "Palestinian events" obtained a high share, totaling 62.7 percent of views of those polled.

It should be noted here that the level of influence reflected by Arab events is lower, amounting to 5.5 percent, which falls within the last ranking, compared with international events, which occupied the second spot (8.9 percent). Developments that on the Israeli scene obtained 7.6 percent.

Programs and Electoral Propaganda

A. The reality (pragmatic) program won the highest percentage, i.e., 47.7 percent, compared with other programs. In our opinion, this stemmed from its being the concept of reality in Palestinian society. This is a positive concept that completes various matters with flexibility and a positive spirit through the ability to utilize various comprehensive processes and to deal, realistically, with unforeseen stages, either regressive periods (islands) or periods of progress (expansion). The Palestinian intifadah shared considerably in deepening this concept because it defined resources, self-capabilities, and objective circumstances, including assessing the resources of the enemy and the new balances that develop on the Arab and international scenes from time to time. One must point out here that the political development of the PLO's program tends toward endorsing a pragmatic policy based on a need to apply the principle of possible justice and not absolute justice. Accepting that would assure a political solution, starting from the principle of restoring the occupied territories to their 1967 status and granting the Palestinian people their right to self-determination.

In contrast, the religious program won second place, but by a considerably smaller margin compared with the pragmatic program, since its share was 19.2 percent of

those polled in the West Bank and Gaza Strip. This leads us to the conclusion that Muslims, for the most part, do not prefer a religious program that reflects the point of view of fundamentalist movements, which they do not easily accept. The percentage of Muslims included in the poll was more than 95 percent, but only 19.2 percent of them preferred the religious program. That might also justify the belief of some Muslims that the pragmatic program might be easier to achieve than the religious one.

This also means, however, that the religious program does influence the scene. It is not an inconsiderable influence, to the degree that it competes politically with the National Movement's program.

The leftist program obtained the support of 6.2 percent of those polled. Support for it has declined, particularly if we take into account the fact that 12 percent of those polled thought that the leftist parties are the most representative of the National Movement program. This decline might be attributed to the collapse of the socialist system and the fading luster of leftist ideas, with the exception of domestic problems, which dominate some Marxist organizations. In addition, there was the emergence of fragmentation with regard to unity, which, in considerable part, has led their members to prefer the pragmatic and moderate program, as is evident in the left itself.

Despite the Palestinian people's tendency toward peace and away from violence, as cited in the analysis above, the extremist program gained some support, despite the fact that it was a very small percentage, amounting to 2.6 percent. This result can be attributed to the historic, bitter experience that the Palestinian people have suffered because of extremist feelings that lacked mechanisms of action despite being rich in revolutionary romance and theoretical dreams.

Upon examining the views of those polled (from the West Bank and Gaza Strip separately), who were prepared to give their votes to candidates representing various programs, the results were that 30 percent of those in the West Bank and 17.5 percent of those in the Gaza Strip said they would vote for the pragmatic program. In the West Bank, 1.66 percent said they would vote for the representatives of the extremist program; while in the Gaza Strip, it was reduced to 1 percent of the total polled. Moreover, the religious program's share in the Gaza Strip was higher than in the West Bank, 13.5 percent compared with 6.5 percent in the West Bank and Jerusalem. With regard to the leftist program, its share in the West Bank was higher than in the Gaza Strip, i.e., 3.8 percent in the West Bank and 2.2 percent in the Gaza Strip. Nevertheless, West Bank residents tended toward moderation more than Gaza Strip residents, despite the pragmatism that dominated the latter. The Islamic program's share in the West Bank was 4.8 percent of the total polled, while it was 2.3 percent in the Gaza Strip.

B. Electoral Propaganda

Results indicate that approximately half of those polled (48.8 percent) stressed the importance of election propaganda, while 25.1 percent considered it preferable. This is a considerable percentage.

However, relatively speaking, propaganda in other countries has gained greater importance. This distinction stems from the Palestinian voter's lack of real experience with this tool because he has been denied the use of it for a long time, despite sometimes being permitted to conduct elections. However, at other times, he has been under restraints.

There is another factor in this matter, represented by the lack of technical means required to use propaganda, such as national radio and television to broadcast a specific program. However, the most pressing issue here is the propagandistic meanings that clash with what apparently is understood by some people as the concept of propaganda itself. The biggest problem in this regard is that some people believe propaganda is something bad because they believe that good things do not need to be propagandized. This is attributable—in the first place—to a lack of universality concerning the idea of propaganda, especially electoral propaganda.

On another level, 6.1 percent of those eligible to vote in elections in the occupied territories responded that they were personally related to the candidate and, consequently, did not need to hear his election propaganda. This was probably because they judged matters from the perspective of self-experience and firsthand knowledge or because they were anxious to attain their special interests through the candidate to whom they were related. This, then, puts the election on a purely personal basis, for the most part, while the rest (81.1 percent) stressed the need that they must be either generally acquainted with the candidate, or with his program and the quarters that he represents. This indicates that there is an internal desire among voters to know the candidate and his program, to exercise a conscious choice free of previous mental concepts and, accordingly, to follow up developments that might occur in various programs and make sure of the leanings of candidates and the quarters that stand behind them. This matter is an inseparable part of general freedoms and the application of democracy. The candidates' basic job, or that of their election teams, is to convince the voters of the correctness of their tendencies and their ability to respond to the voters' aspirations, by defining for them their ideas as well as matters of concern to them.

Candidates' General Characteristics

By asking those polled as to whether they would vote for their candidates based on the political affiliation of each one, or on his competency, the poll revealed the following:

- 10.8 percent preferred voting for candidates based on political affiliations;

- 25.8 percent would vote for candidates, relying on their abilities and their qualifications to carry out the roles given them; and,
- The largest percentage (54.1 percent) preferred electing candidates who combined political affiliation and competency.

Accordingly, a close study of the percentages mentioned above confirms the results that were obtained as a result of asking those polled to define the priorities and characteristics that they preferred their candidate to have. It was noted here that the responses concentrated on the candidate's personal traits, most importantly, ability and competency, expressed by 60 percent of the views, compared with 40 percent for other traits, such as being a fighter, nationalist, religious person, etc.

It is possible that the perplexity of justifying these results will come to mind, because many people probably look at political affiliation (nationalist or religious) as being a basic characteristic by which any candidate is elected in a specific election. However, the poll that was conducted over the last three months, and the results that were produced by it, seriously indicate the decline in the attractiveness of that characteristic among voters who, apparently, were disappointed by previous experience.

Accordingly, we can perceive from this data that a considerable number of citizens have changed their priorities and the conditions by which they choose their candidates. Consequently, that must be taken into consideration by those who wish to gain the people's approval.

The traditionalist candidate obtained only a modest percentage of support (1.5 percent) because the voter believes that this person has been foisted upon him. This person usually alters tactics according to any change that occurs in a country's dominant arena, just like traditionalists in Arab society—Jordan for example—where they have found a role at every time and place. They have reformist tendencies, but do not search for radical solutions to various problems.

The academician candidate achieved 8.5 percent. Because of regional differences, this percentage is not considered high. Some of those asked about the importance of candidates' personal characteristics replied that education and culture were secondary in importance. The low percentage is attributable to the fact that the Palestinian does not approve of an educated person who only sits in an ivory tower. He must also blend his education with other traits, such as combativeness, etc., to gain the voter's confidence.

This percentage is close to one that a member of the negotiating delegation obtained (9 percent). Perhaps this was because the majority of delegation members are from the academic group. That might be due to the academicians' shift to being politicians, since it is assumed that academicians are advisers to political leaders on specific matters within their specialty.

The trade unionist candidate obtained 53.4 percent [as published]. The reason for this is the situation from which trade unions in general and workers in particular suffer, i.e., the state of factionalism, from which the trade union federation has suffered, has paralyzed its effectiveness compared with other organizations, especially in the last four years.

Moreover, the trade unionists who, for the most part, have occupied leadership positions in the unions have not occupied these posts because of their union competency as much as because of their specific political influence.

The religious candidate obtained a high percentage (23 percent) among those polled, and, at the same time, even those who did not support a religious program preferred a religious candidate. This is because religious individuals enjoy a good reputation, even on the nationalist level, because of certain Palestinian religious figures' history of opposition. Religious figures are also linked in the Palestinian citizens' minds with faith and honesty. This candidate's position, as a man of religion, stems from religion itself, which gives him influence.

Finally, the nationalist candidate obtained the highest percentage (47.5 percent). The reason for that is that the nationalist in Palestinian society has cared and still does care about the people's various concerns, interests, and problems. In addition, the nationalist also possesses a group of other traits, such as being educated or religious, etc., in addition to his being a nationalist.

The strange thing is that the Palestinian prisoner obtained 7.8 percent of the total. Perhaps this was mainly due to the fact that this characteristic has become widespread in Palestinian society, especially during the Palestinian intifadah, during which the occupation forces escalated their campaigns against various segments of the Palestinian masses.

Religion and Nationalism

There is no doubt that the pivotal question through which we can learn the extent of influence or stock of the fundamentalist religious movements in the occupied territories, including the religious persons who are not affiliated with fundamentalist movements, on the one hand, and the National Movement, on the other, stems from the inquiry made in the poll to determine the subjects' position vis-a-vis these two movements. This can be done by computing the total that each side obtained in the poll conducted by Maqdes and AL-NASHRAH AL-ISTRATIJIYAH. Consequently, the results produced by this poll can be measured and easily generalized for the West Bank, Jerusalem, and Gaza Strip, in order to determine the strength and position of each orientation.

In fact, those supporting the religious orientation in the occupied territories totaled 31 percent of those participating in the poll, with approximately 56.6 percent for the nationalist trend.

Means of Election

The data produced by this survey indicates that 88.8 percent of those polled support the principle of election, no matter what method is followed, while the rest (6.9 percent) supported the principle of appointment.

This confirms that the vast majority of Palestinian people in the occupied territories adhere to the democratic option and that their preference is for the democratic process over any other system of political action.

It is possible that there are many reasons for this, all playing a large role, but led by the democratic experience of the PLO, which, although it is not of the caliber that is often wanted for many objective justifications, is still considered in the vanguard of the various Arab states.

To a considerable degree, this experience has contributed to forming a democratic consciousness among individuals of Palestinian society, which paid a huge price when it was absent. This price is an incentive to maintain it as much as possible.

An exception to that is the limited election experience of the nationalist, masses, educational, professional and trade union organizations in the West Bank and Gaza Strip during the past 20 years. This has had an impact on the level of thinking of the individual, when he had the opportunity to cast his vote and determine the future of one organization or another. In addition, the spread of political affiliation to nationalist forces, which resulted in a conscious political exercise, in light of organized competition among the various groups, paid off in this regard.

Other Concepts

In accordance with this, it is not strange that popular election concepts become deeply rooted and develop harmony with rising nationalist consciousness. This is what we perceive pertaining to the forms of conducting elections, since we find that 53.6 percent of those polled support the principle of "direct election". It is likely that this is because of the fact that many Palestinians are not happy with the method of electing slates that is now followed in most areas of the West Bank and Gaza Strip. This method is based on political affiliation, while the voter feels that it is also necessary to vote on the basis of qualifications and competence. Therefore, we will touch on those details later.

Despite this disparity, the process of mixing direct election and slates received the support of 17.9 percent of those polled.

This pertains to methods and forms of the electoral process, but when considering the extent of the citizens' wish to participate in elections, if they are held, 62.7 percent of those polled answered yes, while the total of those who don't know or who would decide later was 29.3 percent. In all probability, those who would decide later will go along with their political position, not because they do not want to exercise their right to vote,

but because many of them link this in their minds with the nature of the future solution which might not be equitable for the Palestinian people. Therefore, they are waiting for the results, and will decide based on whether or not the solution agrees with their aspirations. The proof for that is that if we combine the two figures (i.e., those who support and those who are waiting), we find that the result equals 92 percent. If we compare that with those polled who support the election principle, and who totaled 88.8 percent, we see that they are very comparable percentages.

Male or Female Candidates?

Statistics concerning the standing of men and women with regard to the choice of candidate in elections incontestably lead us to remember the current saying, which is close to certain, that Palestinian society prefers men over women. However, this saying in fact requires examination and testing, because of the disparity in percentage as shown by the poll, i.e., that 47.4 percent of those polled preferred competency of election candidates regardless of being male or female. This is a very considerable percentage.

Despite the fact that 30.4 percent of those polled preferred male candidates, compared with only .8 percent for female candidates, 16.3 percent saw no difference between the sexes and, consequently, 63.7 percent of those polled were for equal opportunity for the two sexes.

With regard to allowing women to vote and to be nominated, there was a clear difference between the two. While 79 percent of those polled in the West Bank and Gaza Strip expressed their wish to allow women to vote in elections, 41.5 percent preferred not to allow women to be nominated. Moreover, 10.7 percent rejected the idea of allowing their wives, daughters, or sisters to exercise their right to vote, while 2.9 percent would allow only their wives to vote, .9 percent only their sisters, and 1.3 percent only their daughters.

Some 9.3 percent of those polled also stated that they would not permit their wives to be nominated; 3 percent would not allow their sisters, and 2.2 percent would not allow their daughters to be nominated. It is evident that the percentage that would not permit a woman to be nominated amounts to nearly 56 percent of the total participating sample. It is strange that 44.5 percent of participants answered with the phrase "none of the above".

In conclusion, Palestinian society tends toward allowing women to vote in elections more than toward permitting them to be nominated, as a result of concepts that prevail in society, which prefers not to have women participate in jobs outside of their home.

Mission Head Safiyah: 'I Am Not Optimistic'

93P40013A London AL-HAYAH in Arabic 10 Oct 92 p 4

[Report by Samir Nasif]

[Excerpts] London—'Afif Safiyah, the head of the Palestinian [PLO] mission in the United Kingdom, affirmed yesterday that if the peace process continues to be frozen and negotiations remain at an impasse, "the Palestinian side may resort to taking unilateral steps to enable the Palestinian people to implement their authority."

Safiyah was speaking at a seminar at the British Labor Party's annual conference. [passage omitted listing British attendees]

At the beginning of his introduction, Safiyah said, "I am not optimistic, as I was in my introduction at the Labor Party's annual conference last year. We Palestinians have been incredibly reasonable in making peace possible, but after five rounds of negotiations with a delegation working under directives from Yitzhaq Shamir and one round with the same delegation working under directives from Yitzhaq Rabin, it seems that there is a continuity in the Israeli position, instead of a tangible or noticeable change since the Labor Party took over the government."

Abu-Mazin Sees 'Completely Different' Israeli Policy

92AE0686B Riyadh AL-JAZIRAH in Arabic 25 Aug 92 p 8

[Interview with PLO Executive Committee Member Mahmud Abbas, "Abu-Mazin," in Tunisia by Lutfi al-Shatti; date not given]

[Excerpts] [Al-Shatti] Brother Abu-Mazin, how do you view the coming round of negotiations in light of the Secretary Baker's contacts in the region and their influence on the next stage?

[Abu-Mazin] We can say that we have now passed into a new phase of negotiations, and the reason for this new phase is the radical transformation that has occurred in the Israeli Government. A clear change is going on in the government there, which is constructing a policy that is completely different from that of its predecessor. Shamir's government switched positions and spoke of peace for peace, and later we understood that it was prepared for the negotiations to go on for 10 years, when the occupied territories would be filled with settlers and the Palestinians would then be pushed out. This policy was exposed recently, even though we sensed it clearly during the five rounds of negotiations that took place in Madrid and Washington.

The new government has different features and positions, in terms of its readiness to exchange land for peace, to work on transferring power to the Palestinians, and for the Palestinians to hold elections. It also has a

distinctive policy relating to settlements, especially when we are speaking of the distinction between security settlements and political settlements. We reject this distinction, but in principle we note that Rabin's government is not holding fast to all the settlements built on Palestinian land. We will discuss this whole subject later on, on the basis that all settlements on Palestinian land, even in Jerusalem, are illegal.

Despite that, we see new horizons for peace in the Middle East with the advent of Rabin's government. We must not get too immersed in optimism, or ignore the realities and facts on the ground.

New Phase

After Baker's recent visit to the region and his meetings with leaders of the countries involved in the negotiations and with the Palestinian delegation, we felt very clearly, and sensed, that the U.S. Government wants to speed up the negotiating process, to achieve results before October. This conforms with our view; in fact, we want to speed up the negotiations to achieve palpable results before October. If, through the negotiations, we are able to stop the settlements, first of all, and then transfer authority, or agree on a framework for transferring authority, and hold Palestinian legislative elections; and if the Israeli Government takes its own measures to restore confidence between us, relating to prisoners, taxes, demolishing houses, and expulsions—these are the issues related to human rights, which, if they cease, I personally believe we will have started a new political phase of peace in the region, which is in need of continuity, and other steps to put down genuine bases for peace.

[Al-Shatti] There are those who believe the next round of negotiations will be difficult.

[Abu-Mazin] Of course Rabin, to the extent he shows flexibility, and as intelligent of a person as he is, can play tricks with words. Plus, he enjoys a better global reputation than his predecessor, and he may exploit this reputation by offering words instead of deeds. We see no need to get ahead of events, but we want to see whether Rabin will do what he said before and after the elections or whether he did it for local consumption and as a trick. This is a matter we cannot judge now; we must judge it by way of the negotiations.

In the coming negotiations, we will learn whether Rabin is ready to match words with deeds. [passage omitted]

[Al-Shatti] May it be said that those of you in the Palestinian leadership believe the American administration is now demonstrating positive developments in its policy that accompany the political changes taking place in Israel?

[Abu-Mazin] What has happened is that politics in Israel are conforming with American policy, not vice versa.

All Arabs Partners in the Peace Process

[passage omitted]

[Al-Shatti] What is required, in terms of the Arabs?

[Abu-Mazin] We require greater coordination among the Arab parties. We were the ones who called for a seven-sided meeting that would include Egypt, Syria, Jordan, Lebanon, Palestine, a representative from the Gulf Cooperation Council, and a representative from the Arab Maghreb Union. We will continue to demand this coordination, because all of the Arabs are partners in the peace process. It is a process that requires the showing of a unified stance against the adversaries.

[Al-Shatti] Are you satisfied with the Russian stand on the peace process?

[Abu-Mazin] I was personally in Moscow five days ago as part of a Russian-Palestinian coordinating committee. [passage omitted]

I felt that our Russian interlocutors were completely prepared to continue playing a role in the peace process. I did not in the least feel that they had any conflict with us in our political positions; in fact, they assured us that what we were now proposing was fair, logical, and realistic, and therefore they supported it.

[Al-Shatti] How have you in the Palestinian leadership dealt with Rabin's visit to Cairo? Have you obtained any information about it?

[Abu-Mazin] So far we have received no information or data from our Egyptian brothers about Rabin's visit to Cairo, but we think a visit like that will serve to advance the peace process. So when the Egyptians invited Rabin to Cairo, the invitation was on the basis that he play an active role in advancing this process, and this explains the Egyptian Government's refusal to invite Shamir or any other Israeli official to Cairo for a long time.

[Al-Shatti] Are you in the Palestinian leadership always ready to meet with officials of the Israeli Government?

[Abu-Mazin] Of course, we are ready for that at any time. We see them and meet them at talks and negotiations. This has been the case for a long time, and within the PLO we will not hesitate to meet any Israeli official outside the negotiations. It is the Israeli Government that used to refuse to meet with us and prescribed legal punishment for anyone who met with a Palestinian official. The present government has still not struck down this law, although it speaks of its intention to review it. If that happens, we will welcome it. [passage omitted]

[Al-Shatti] The Palestinian people have expressed their great satisfaction with the Kingdom's continued support of the Palestinian cause in a strong and continued fashion and the gratitude the PLO has declared for the efforts of the Custodian of the Holy Places.

[Abu-Mazin] It is indisputable that there is an essential development in Saudi-Palestinian relations. Many of the causes and negative factors lingering in the memory are vanishing. We hope that soon we will be able to banish all of the clouds from the sky of our relations, so that it may be untroubled again, as it was in the past. But I would like to reassure you that we are making excellent steps toward ending all of these negatives, God willing. We hope there will be practical steps in the near future. There are good signs: the exchange of cables, letters, and information, and this is a step on the path towards a visit to the Kingdom, God willing. [passage omitted]

Islamic Bloc Wins Jericho Cooperative Elections

93P40012A London AL-QUDS AL-'ARABI in Arabic
29 Sep 92 p 5

[Excerpts] Jericho—Elections for the Administrative Committee of the Sons of Jericho Cooperative Association were held Saturday. 'Adil al-Ansari, director of cooperation, attended. [passage omitted listing winners' names] The Islamic bloc won seven of nine seats.

PPSF Infighting Leads Faction to Iranian Financing

92AE0686A London AL-SHARQ AL-AWSAT in Arabic
28 Sep 92 p 5

[Article from Amman: "Madrid Was a Crossroads"]

[Excerpts] The internal conflicts of the Palestinian Popular Struggle Front have not ended well, as the final break between the major wing, led by the Front's Secretary General Dr. Samir Ghawshah, and the breakaway wing led by politburo member Khalid 'Abd-al-Majid, is confirmed. It does not end there, however. AL-SHARQ AL-AWSAT has obtained documents that prove that 'Abd-al-Majid's wing has sought financial support from Iran, in addition to some of the group's leaders' having sold about \$500,000 worth of real estate and property belonging to the Front.

The conflicts in the PPSF go back to the period preceding the group's eighth general conference in February 1989, when a majority of the Front's leaders and staff evinced a strong desire for a rapprochement with the Palestine Liberation Organization. This was a response to voices within the Palestinian National Salvation Front who had helped establish the Struggle Front and demanded that the Salvation Front be an alternative to the PLO. At that time, the PPSF set its position in the direction of reconnecting with the PLO. After this resolution the PPSF's membership was subjoined to the Salvation Front, and the matter ended with the open withdrawal of the PPSF from the Salvation Front. But views of this matter were not settled within the PPSF itself, despite the conference's resolution; some figures in the group, among them Khalid 'Abd-al-Majid, maintained a view that conflicted with the process of rapprochement with the PLO and distancing from the Salvation Front.

The conflict widened when Khalid 'Abd-al-Majid began to lead a faction that rejected the Madrid conference, its results, and the bilateral and multilateral negotiations it produced, while Dr. Samir Ghawshah adopted a position in support of the PLO in the peace negotiations. On the surface, Dr. Ghawshah's new thinking prevailed, as evidenced by the emphasis on the struggle inside the occupied territories and the nonsupremacy of certain figures and personalities of the group's leadership. This went against Khalid 'Abd-al-Majid's vision, which called for the historical leadership to maintain their positions and called attention to action outside the domestic [occupied territories] scene.

These political and organizational conflicts blew up when 10 central committee members, led by Khalid 'Abd-al-Majid, held a meeting in Damascus last 27 April in which they decided to withdraw their confidence from Ghawshah, strip him of all powers, and elect a new politburo. Thus the PPSF's central committee, made up of 21 members, was split into two wings. One wing includes Secretary General Dr. Samir Ghawshah, plus 17 other members, such as Dr. Ahmad Majdalani and others with false names such as Abu-Hazim and Sultan. The other wing includes Fityani, who is known as Abu-Nayif; Mahmud Hamdan, who is known as Abu-Adwah; and 'Ala' Haytham 'Abd-al-Qadir; in addition to Khalid 'Abd-al-Majid, known as Abu-Satif, and other members whose names we do not know. It is curious that Khalid 'Abd-al-Majid's and Abu-Nayif's agreement to fight Dr. Ghawshah came after long years of personal hostility between them, hostility that Dr. Ghawshah had curbed, as the Front's staff knows! [passage omitted]

Khalid 'Abd-al-Majid justified his schism by saying, in a statement obtained by AL-SHARQ AL-AWSAT, that over the past three years Dr. Ghawshah had strayed, politically and organizationally, not abiding by the Front's positions and policies, particularly in his consent to take part in the political process through the bilateral and multilateral negotiations with Israel, his unpreparedness to judge the framework and organizational institutions of the PPSF, and his deliberate abandonment of the resolutions of the eighth general conference and those of the central committee and his isolation in making that decision.

Dr. Ghawshah's Popular Struggle Front intends to hold the Front's ninth general conference soon. AL-SHARQ AL-AWSAT has learned that most of the subconferences have been held and that leadership commissions have been selected from district conferences. Conference delegates and branch, regional, and district leaders have been elected, including a secret conference for the Jordanian district on 5 June. On the other side, Khalid 'Abd-al-Majid's wing has announced its intention to hold its own ninth conference of the Front within the next few months, after the settling upon a reformulation of the politburo's political and organizational documents. Thus two PPSF conferences will be held, both being called "the ninth." [passage omitted]

'Abd-al-Majid's wing chose to resort to Iran for a way out of its financial crisis. AL-SHARQ AL-AWSAT has obtained a secret document that proves that this wing requested an estimated \$25,000 per month in financial aid from Tehran. The document states, in part, "We are in dire need of an extraordinary payment with which to pay our financial deficit, which has been piling up on us since the beginning of the crisis. At the moment, in addition to accumulated expenses, your mujahidin brothers have patiently gone seven months without being paid."

The document adds that "the extent of our needs in Syria and Lebanon for allocations, operations, fuel, supplies, and equipment is huge: \$100,000 per month. Our domestic needs, in the framework of the intifadah, its popular committees, and its striking power, in addition to a mass plan of action aimed at creating local institutions and concern for outside arenas such as Jordan, are about \$150,000 per month." Khalid 'Abd-al-Majid's wing also proposed the development of bilateral relations and the offering of nominal "logistical" aid to the Front.

This open request followed a secret memorandum Khalid 'Abd-al-Majid's Front sent to Iran's ambassador in Damascus, in which the Front whispered its permission for Tehran to use the Front's military positions in Lebanon, at Bhamdun, the al-Rawdah region, and the camps at al-Badawi, Nahr al-Barid, al-Miyah wa Miyah, 'Ayn al-Hulwah and 'Ayn al-Mir.

But the catastrophe lies not solely in the PPSF's embracing Iran. AL-SHARQ AL-AWSAT has obtained a document that confirms the involvement of members of the Front's politburo who are loyal to Khalid 'Abd-al-Majid in the sale of real estate and property belonging to the Front. So far no one knows where the incoming money from the sales has gone; it has not yet reached the Front's treasury.

Attention is on two politburo members accused of selling some of the real estate. The document in AL-SHARQ AL-AWSAT's possession says that they signed a waiver that included a confession that they had received the \$500,000 for property No. 763 in the al-Mastabah region, which belonged to the Palestinian Popular Struggle Front.

Certainly, the story of the "financial mess" is not unrelated to the clear political disaster Khalid 'Abd-al-Majid's wing has suffered. There is violent rhetoric that rejects the Madrid conference and the negotiations at the same time that moderate, shamefaced language was heard in this wing's speech to the PLO Central Committee, which did not go beyond the minimum commitment to Palestinian dogma while taking part in the political process. [passage omitted]

Despite the Front's disarray, it still insists on carrying out paramilitary operations in the occupied territories.

According to Rizq Namurah, Secretary of the Popular Struggle Front, the Front views peace as an arena for new conflict.

IRAQ

Iraqi Scholar Reviews Kurdish Problem, Options

92AE0577A London AL-HAYAH in Arabic 2, 3 Aug 92

[Article by 'Abd-al-Husayn Sha'ban, Iraqi legal researcher and the chairman of the Arab Organization for Human Rights in Britain]

[2 Aug p 8]

[Text] The Kurdish problem is again attracting attention against the backdrop of the recent Kurdish elections in Iraqi Kurdistan and the highlighting of the Kurdish problem during the Gulf war, which was accompanied by a popular uprising that began in March 1991 and the mass migration of more than 1 million Kurds who were fleeing the state authorities who launched an internal war after their defeat in the Gulf war, which they deny.

The Kurdish problem now occupies a special position in the international arena and media, especially given the reference to it in Security Council Resolution 688, issued on 5 April 1991. Resolution 688 is said to be the only Security Council resolution that sides directly with the Iraqi people. It emphasizes guaranteeing the human and political rights of all Iraqi citizens, and it censures the oppression to which residents in many parts of Iraq are subjected. (See the text of Security Council Resolution 688 in our book *The Trial—The Deleted Scene from the Gulf Drama*, Dar Zayd, 1st ed., London, 1992, pp 103-104.) The resolution's reference to the oppression of the Kurds and the linkage between this reference and the threat to international peace and security represent an important development vis-a-vis the Kurdish problem, which requires not only a cessation of the oppression, but a peaceful, just solution of the Kurdish problem.

As in the past, the Kurdish problem is no longer considered solely a domestic or internal problem. Rather, it has become an important international problem, given that the Kurdish people, which are scattered [in Turkey, Iran, Iraq, Syria, and the former Soviet Union] are among the very few peoples of the world who do not enjoy national rights, including the right to exist and live in an independent political entity. This situation requires consideration of a peaceful, just solution. The Kurdish problem is now emerging on the international arena amid the collapse of the "socialist countries," the dissolution of the Soviet Union, the breaking away of new national entities, and the establishment of new countries and their admission as members to the United Nations. These developments are familiar to and recognized by international society. They should be taken into account when examining the Kurdish problem now and in the future, given the extent to which the Kurdish problem is

intermeshed with the regional and international situation. What was forbidden until recently has now become possible and permitted in the climate of the new international arrangements we are seeing. The Kurdish question already lies within the scope of the changes and possibilities in the region, whether regarding restructuring or reordering or based on the development of international interests, taking into account the development concerning the [interests of the] Kurdish people themselves.

The Problem of Government in Iraq

The Kurdish problem emerged in Iraq when the Iraqi state was established in 1921. The cabinet resolution of the provisional Iraqi Government, which proclaimed Faysal I king of Iraq, concerned the Kurds' participation in elections for the constituent assembly, as stipulated by the Treaty of Sevres. It will be recalled that the Treaty of Sevres, signed in August 1920 between the allied countries and the Turkish Government after the collapse of the Ottoman Empire, stipulated the right of the Kurdish people to enjoy a form of self-government that could change into full independence, which the Kurds of southern Kurdistan (the Iraqi Kurds) could become a party to if they so desired. (cf. al-Husni, 'Abd al-Razzaq, *The Modern Political History of Iraq*, vol. 1, Baghdad, 1957, p 16 onward.)

Since that time, although the Treaty of Sevres was not implemented because of the conclusion of the Treaty of Lausanne in July 1923 between the allies and Turkey after the customary bargaining, the Kurdish problem nonetheless came to occupy an important position vis-a-vis countries in the region. Its importance grew in the Iraqi arena with respect to the government, political action, and Arab organizations and forces and Kurdish forces in Iraq.

The British mandate, which was imposed on Iraq on 25 April 1920, did not disregard the Kurds' presence and rights. Article 16 stipulated: "Nothing in this mandate precludes the mandatory from establishing an administratively independent government in the Kurdish districts..." (ibid.)

The 1918 al-Najaf Revolt, the 1919 al-Sulaymaniyah Revolt led by Shaykh Mahmud al-Hafid, and the great Iraqi Revolt known as the "Twenties Revolt," [an anti-British insurrection among southern tribesmen led by the Shi'ite cleric, Muhammad Taqi al-Shirazi] on 30 June 1920 all failed to realize the Iraqi people's goals of independence, liberation from Britain's control and mandate, and a peaceful solution to the problem of government in Iraq, including the Kurdish problem.

Government in Iraq, since the state's establishment, has suffered, to varying degrees, from three basic problems.

The first is the absence of democracy and a constitutional system. Attempts have been made to develop parliamentary life on a constitutional basis under the Basic Law of the Iraqi Kingdom promulgated in 1925.

However, these formal attempts have won little trust on the part of the people. Despite the change in the character of the regime with the establishment of the republican regime after the 14 July 1957 Revolution, the country continued to be ruled by interim constitutions and provisional statutes, which further precluded democracy, strengthened autocratic domination, and encroached on citizens' rights and freedoms. In addition, constitutional institutions remained weak and emaciated, and the judiciary lacked independence. (The Basic Law of the Iraqi Kingdom is considered the country's permanent, sole constitution. The Basic Law was repealed after the 14 July 1958 Revolution. An interim constitution was promulgated to replace it on 26 July 1958. Since that time, the country has been governed under interim constitutions. The interim constitution currently in effect was promulgated on 16 July 1970. The draft permanent constitution of the Republic of Iraq was published on 30 July 1990, three days before the invasion of Kuwait on 7 July [as published]. Sixty-nine of its 179 articles are devoted to the authorities of the president of the Republic. Saddam Husayn's name is mentioned five times in the preamble, which is usually devoted to praising the culture and heritage of the people and their historical glories. Although about two years have elapsed since the issuance of the draft permanent constitution, which stipulates that a referendum be held regarding it, the matter has been ignored as if it did not exist. Article 6 of the draft constitution says that the people of Iraq comprise Arabs and Kurds. The constitution establishes the Kurds' national rights and guarantees the legitimate rights of all Iraqis within the unity of the fatherland, state, and society. This provision is considered elastic and indefinite, whereas Article 12 states that an area in Iraq in which Kurds are a majority shall enjoy self-rule. See the text of the draft permanent constitution of the Republic of Iraq, AL-QADISIYAH, Baghdad, 30 July 1990.)

The second basic problem is the persecution of, and chauvinistic discrimination against, the Kurdish people. Such treatment accounts for the continuation of the Kurdish problem without a solution for more than 70 years.

The third basic problem is the sectarian problem, which was manifested in the ratification of the Percy Cox-'Abd-al-Rahman al-Naqib formula after the failure of the Twenties Revolt [which was suppressed in early 1921] and in the punishment of the clerics who incited it. This problem became entrenched in numerous measures instituted over the years, e.g., the nationality and religion [tamaddhub] laws enacted in Iraq and the restricting of several senior positions in the Army, Foreign Ministry, and other [state institutions to members of certain groups], albeit to varying degrees. The sectarian problem surfaced conspicuously after the 17 July 1968 Revolution and the current government's unleashing of sectarian hysteria through the ruling Revolutionary Command Council's issuance of numerous resolutions and its stripping of the citizenship of more than 300,000 Iraqi

citizens on the alleged pretext that they possessed Iranian nationality. (cf. al-Azzari, 'Abd-al-Karim, *The Problem of Government in Iraq*, London, 1991, pp 343-344.)

The Kurdish problem is important because it extends beyond Iraq's borders. More than 3.5 million, 6.5 million, and 12 million Kurds live in Iraq, Iran, and Turkey, respectively. About 800,000 live in Syria, and more than 200,000 live in the Soviet Union in an area of 400,000 to 480,000 square km. (cf. Lazarev, *The Kurds and Kurdistan—The Constituent Factors of the Problem*, 1987, Publications of the Socialist Party of Kurdistan. Also, cf. Rizan, Bafi, *International Agreements and Covenants Regarding Human Rights and the Kurdish Problem*, December 1985, p 18.)

The Kurdish area, like the countries in which it now lies, has political, strategic, and economic importance. This importance stems from the presence of oil in the Kurdish area and from the effect of the national and religious struggle and many ethnic problems in the Kurdish area on the international interests that converge in this vital region.

In Iraq specifically, especially in the past 30 years or so, the Kurdish problem has enjoyed a special status in the national struggle due to the maturity and activism of the Iraqi Kurdish national movement and to the influence and interaction of the democratic movement with the Kurdish national movement in Iraq. This emerges clearly in the close, inseparable connection between the problem of government in Iraq and the Kurdish problem. This connection was expressed in a slogan promoted by the Iraqi national movement more than three decades ago, which linked "democracy for Iraq and self-rule for Kurdistan."

The 14 July 1958 Revolution showered the Kurdish problem with special attention, especially in the interim constitution issued on 26 July 1958. That constitution stipulated the partnership of the Arabs and Kurds, the two primary nations in Iraq. It was the first legal provision to recognize the Kurdish people. (See our article, "The Kurdish National Problem and the Iraqi Communist Party," *AL-HURRIYAH*, No. 96 (1171), 23 December 1984.) However, the Army's domination of key positions, the country's turn toward dictatorship and autocratic rule, and the launching of military campaigns against the Kurdish people set back the peaceful resolution of the Kurdish problem and forced the Kurdish people to take up arms to defend themselves and their legitimate rights and demands. The revolt that began in September 1961 thus began a new phase.

After 'Abd-al-Karim Qasim's government was overthrown on 8 February 1963, an administrative decentralization plan was presented under the pressure of events in an attempt to emerge from the dreadful crisis stemming from the replacement of an autocracy with a most vicious, despotic dictatorship and from the denial of the Kurdish people's rights. The decentralization plan was

really nothing but the division of Iraq's governorates (its 14 provinces at the time) into new, decentralized administrative areas enjoying some authorities and jurisdictions. This action did not solve the problem. Essentially a denial of the Kurdish people's legitimate national rights, the plan escalated the tension, especially after the chauvinistic military campaigns, the outbreak of fighting, and the bombardment of civilian Kurdish areas. The February [1963] government turned its back on the promises it had made in trying to win over or at least neutralize several Kurdish leaders, especially in the first weeks after the coup.

However, "the military solution" of the Kurdish problem failed again. Even after the 18 November 1963 coup and the temporary truce, the military efforts against the Kurds reached an impasse. This compelled the government to issue the 29 June 1966 Statement, which was presented by Dr. 'Abd-al-Rahman al-Bazzaz [the 12-point al-Bazzaz plan, which contained the most far-reaching concessions to the Kurds to date, although it did not mention autonomy explicitly]. The al-Bazzaz Statement was adopted by subsequent Iraqi governments until the issuance of the 11 March 1970 Declaration [in which the regime recognized the Kurdish national minority's right to self-rule].

In looking at the Kurdish problem and ways to solve it, two basic trends emerge. The preponderant trend advocates "the military option." Its conceptual background lies in a despicable [pretension of] national superiority, a call to draw the Kurds into the "melting pot" of Arabism and the Arab nation, and the denial of the Kurds' legitimate rights. Moreover, some believe that the Kurds were originally Arabs who lived in the mountains.

The other trend, which has become widespread among common Arabs and Kurds, calls for the adoption of "a peaceful solution" to the Kurdish national problem, recognition of the Kurdish people's legitimate rights, and the Kurdish people's participation in the Iraqi homeland. This trend has grown and expanded after being limited to several leftist forces, e.g. the communists, the Marxists, and the democrats, in addition to having become entrenched among Kurdish forces. The spread of this orientation and support for a peaceful solution and recognition of the Kurds' rights is only a part of the struggle on the intellectual front.

Despite the triumph of this solution on the popular level and among political forces, especially outside of the government (although differences persist as to the content, boundaries, and future of Kurdish rights), it was not easy for the Iraqi Government to sanction the Kurdish people's national rights, including self-rule, in the framework of the Republic of Iraq, as provided for in the 11 March 1970 Declaration [which the Kurds referred to as an "agreement"] between Ahmad Hasan al-Bakr's government and the leadership of the Kurdish national movement headed by the late Mustafa Barzani. However, the failure of the government-led military campaign and the instability of the government formed by

those who carried out the coup at the time required temporary (and formal) approval [by the Iraqi regime] of the solution formula contained in the 11 March Declaration. It should be added that the heroic struggle of the Kurdish people, with the support of the Iraqi patriotic movement and international backing, was also a factor in the regime's approval of the 11 March Declaration.

Despite the shortcomings and loopholes contained in the 11 March Declaration (especially the government's lack of credibility, its scheming intentions, and its arbitrary actions which aimed to defer implementation of the declaration and empty it of meaning), the declaration is nonetheless considered an important political and legal achievement by the Kurdish people after a long struggle and great sacrifice. Although the government tried to escalate the tension between it and the Kurdish Democratic Party [KDP], by fabricating marginal battles with it, it still issued the Self-Rule Law in a formal (sham) move in 1974 in an attempt to place the blame on others for the renewal of fighting [between the government and Kurdish forces].

The Self-Rule Law contained many serious defects. Nonetheless, it is the only law in any of the region's countries where Kurds live which recognizes Kurdish self-rule.

Iraq's ruling regime pushed matters toward a rupture of relations with the Kurdish movement. It did so out of conceit and a desire to monopolize power amid the growth of a chauvinistic, racist tendency in its leadership in particular and within its ranks. The regime also wished to consolidate its control over the substantial revenues from oil [extracted in Kirkuk in the Kurdish area] to expand its military and political apparatus. This factor encouraged it to launch a broad attack against the Kurdish movement. Several interventions by major foreign powers, in addition to regional forces, especially Iran under the Shah, played a role in propelling matters toward the outcome that ensued and the exploitation of the Kurds to achieve narrow, selfish interests. The Kurdish people paid the price of this outcome after Saddam and the Shah bargained with each other and signed the Algiers Agreement on 6 March 1975 [which entailed the cessation of Iranian aid for the Kurdish national movement in Iraq in exchange for Iraq's concession of its sovereignty over the Shatt-al-'Arab based on the demarcation of the Iraq-Iran border along the thalweg line]. A new chapter in the conflict thus began.

The Kurdish Card in the Regional Dimension

The Iranian, Turkish, and Iraqi Governments, and imperialist forces have always been ready to play and exploit the Kurdish card. The Zionist movement also attempted to use it. The Kurdish problem, in addition to causing internal conflict in Iran, Turkey, and Iraq, has also been a source of discord, conflict, and fomentation between the said three countries. Similarly, it has been a source of agreement, bargaining, and deals between these governments, which are united in their denial of the

Kurdish people's national rights. The Kurdish problem has continued to be a flash point and a source of constant concern. (cf. our article, "The Kurdish Problem and the Iraqi-Iranian War," *AL-HURRIYAH*, No. 96 (1171), 23 December 1984.) For example, due to the failure of the Kurdish uprising in Iraq during World War II, some Iraqi Kurds went to fight alongside their Kurdish Iranian brothers when the [short-lived] Kurdish Republic of Mahabad was established in 1947 [with arms supplied by the Soviet Union]. Ironically, both Iraq and Iran sentenced the late [Mustafa] Barzani to die by execution at that time, whereupon Barzani sought refuge in the Soviet Union. Iraq quashed the sentence only after the 14 July 1958 revolution and Barzani's return to Iraq. Iran quashed its death sentence only in 1968, despite the contacts that had been held between the Kurdish movement in Iraq and the Shah's regime before 1968. (ibid.)

The enactment of the interim constitution in Iraq, which provided for a partnership between the Arabs and the Kurds, and for several legal and administrative gains for the Kurdish people, awakened Kurdish nationalist sentiments in both Iran and Turkey. Following the emergence of an armed movement in Iraqi Kurdistan in 1961, Iran hastened to hold contacts with the leadership of that movement (as of 1962) according to a KDP document approved by the 9th KDP Congress in 1979, because of Iran's enmity toward the Qasim government. In all post probability, the connection between Iran and the Iraqi Kurds was strengthened after 1964, when the Shah sent a special envoy to agree on a cooperation formula. (See "The Kurdish Democratic Party (KDP-Iraq), the Path of the Kurdish Freedom Movement," a document approved by the KDP's 9th Congress, November 1979, p 80 and onward.)

The Shah's Iran was, of course, not pleased by the announcement of the 11 March 1970 Declaration, which was tantamount to an agreement between the Iraqi regime and the Kurdish revolution led by Barzani to end the fighting and lay the groundwork for a peaceful solution. Iraqi-Iranian relations had been marked by considerable tension. Iran went so far at the time as to violate international law by unilaterally abrogating the 1937 Iraq-Iran treaty regarding the adjustment of the borders between the two countries. (cf. our book, *The Iraqi-Iranian Conflict, Observations and Opinions in the Light of International Law*, al-Tariq al-Jadid Publications, Beirut, 1981.) In announcing the abrogation of the treaty in the Iranian assembly on behalf of his government, Iranian Foreign Minister Khosrow Afshar claimed that Iran had been forced to conclude the treaty. He also threatened Iraq with war in April 1969. (see *AL-NUR*, Baghdad, No. 152, 20 April 1969.) In this case, Iran acted just as the Iraqi regime was to act when it abrogated the Algiers Agreement unilaterally based on groundless justifications and arguments and launched a war against Iran in 1980.

It is correct to say—based on historical experience, especially after fighting erupted in 1973 between the Kurdish movement and the Iraqi Government, and after

Iran abandoned its support of the Kurdish movement in 1975—that Tehran's aim in aiding the Kurdish movement has been only to weaken Iraq and to tie down the Iraqi Army in a domestic conflict and war against the Kurdish people, the primary beneficiary of which was Israel. As soon as Iran's interests clashed with the Kurdish movement, Iran immediately cut off aid to the Kurdish movement, which led to the movement's collapse. This is one of the historical lessons which must always loom before us.

A report submitted to the U.S. Congress on 9 January 1976, states that the Shah of Iran considered his aid to the Kurdish national movement in Iraq only a "card to be played in the conflict with his neighbor."

Correspondingly, Baghdad, after the victory of the Iranian revolution in February 1979, demonstrated sympathy for, and gave aid to, the Iranian Kurds, encouraging them to confront the new government and create difficulties for it. The Iraqi Government thus spuriously demonstrated deep concern for the demands of the Kurdish people in Iran while pressing on with its repugnant persecution of the Kurdish people in Iraq. During this period, major military and financial aid and supplies were given to the Iranian DPK, which was led by the late Dr. 'Abdorrāhman Qasemlu. The DPK in Iran made major gains at first, gaining control of large tracts of Iranian Kordestan. However, most of its leaders and cadres subsequently withdrew to Iraqi territory. Qasemlu and Dr. Fadil Rasul, an Iraqi-Kurdish cultural notable, were treacherously murdered in Vienna. Despite Tehran's good relations with the Iraqi Kurdish movement, especially during the Iraqi-Iranian war (in general), efforts to achieve a peaceful resolution of the Kurdish problem in Iran reached an impasse. According to an Iranian spokesman, there is no national problem in Iran—under Islam, everyone "is equal, like the teeth of a comb," "piety determines superiority, not whether one is a Persian or Arab," and the Islamic state guarantees the rights of all!

In Turkey, there is an effort to assimilate the Kurds. The Turks refuse to recognize the national existence of the Kurdish people. Turkish law prohibits Kurds from speaking Kurdish and resurrecting their heritage, culture, and traditions. The Turkification policy is fully in effect, as is a chauvinistic, racist program characterized by campaigns of eradication and oppression. Many of Turkey's Kurds, who comprise one-fifth of the country's population, continue to suffer from these campaigns [al-amrayn]. The Turks call them "mountain [jilywn] Turks." (Jawad, Sa'id, AL-HURRIYAH, No. 16, 1984.)

From the 1930's until recently, the use of the words "Kurdistan" and "Kurd" were absolutely forbidden in Turkey. Moreover, some articles of the Turkish penal code and the Law on the Formation of Political Parties provide for the punishment of anyone who uses these two words. In the new Parties Law promulgated in 1984, "political parties are forbidden to defend the idea of an independent presence of any national minority based on

nationality, culture, religion, and language, except the Turkish language and culture." (see Rizan, Bafi, op. cit., pp 16-17.)

In Iraq, as we know, although the rulers were compelled to recognize the Kurdish people and its right to self-rule, they have long distorted the meaning of this right. For many years, the Kurdistan area has seen the evacuation and displacement of its residents to Iraq's central and southern Arab areas. More than 3,000 Kurdish villages have been obliterated, and chemical weapons have been used against the Kurdish population, as happened at Halabjah in 1988. The scenes of mass migration after the Gulf war were an indication of the Iraqi regime's savagery. At that time, hundreds of thousands of Kurds were forced to leave their homes and head for the borders on a journey into the unknown to escape the regime's oppression and persecution, carrying the still fresh memory of "Operation Spoils" to which about 180,000 Kurdish citizens fell victim.

[3 Aug p 8]

[Text] Occasionally, the debate over the future of the Kurdish problem and the desired solution to it becomes extremely heated, given the divergent views held by some Iraqi opposition groups regarding the past, present, and future circumstances of the Kurdish problem.

Until recently, the platforms of most Arab nationalist political parties lacked a clear definition of the national Kurdish problem in Iraq. This was especially the case regarding parties close to positions of power. The Islamic current has not viewed the Kurdish national problem as a basic part of the problem of government in Iraq. Therefore, it has not formed a clear solution to it. It has only called for equality, and then moral rather than political equality. Although the various parties and forces now stress the slogan of "self-rule" in their platforms and activities, they differ considerably as to what this slogan means and entails. In practice, the official Marxist current—regardless of its proximity to positions of power—has also had a fuzzy position on the Kurdish national movement and a solution to the Kurdish problem; this, despite the progressiveness of the Marxist current's theories regarding a solution to the Kurdish problem based on the right to self-determination. (It should be noted that the Arab nationalist current has begun to accept the idea of self-rule, and the Arab, socialist movement supports the principle of self-rule. After its 1968 congress, the latter moved to sanction the right to self-determination. The Socialist Party in Iraq (which is an Arab nationalist party) has also brought the principle of self-rule to Arab nationalist figures to varying degrees since the late sixties and early seventies. The Ba'th Party-Iraqi Regional Leadership has supported the idea of self-rule for the Kurds since the 11th National Congress in Damascus in 1971. The Iraqi Islamic movement has advocated adopting several moral formula, e.g. equality and the rejection of discrimination. But it has refrained from calling things by their names regarding the national problem. The [Shi'ite]

al-Da'wah Party [Islamic Propagation Party in southern Iraq] recently presented a progressive idea regarding a political solution to the Kurdish national problem in Iraq in its platform published in March 1992, which emphasized the following: "We reject the policy of racial discrimination that has been practiced against the Kurds throughout past decades. We believe that the Kurds have all rights of citizenship on an equal footing with other national minorities and their brother Arabs and Turkomans..." [The predominantly Sunni Turkomans live in villages in northeastern Iraq between the Kurdish and Arab regions. Turkish speaking, they were settled by the Sublime Port in the al-Mawsil and Kirkuk area in the 19th century to suppress the rebellious activities of the Kurds, who regard them as uninvited guests]. Al-Da'wah then called for the repeal of all laws and legislation that have entrenched the policy of racial discrimination and national persecution against the Kurds. It stressed "giving the Kurdish area true self-rule and guaranteeing the Kurdish people's practice of their culture and use of the Kurdish language in education, literature, the arts, cultural domains, social life, and daily life...." It added: "It is necessary to guarantee the political participation of our brother Kurds in the country's political system and state organizations in proportion to the Kurdish area's status relative to Iraq's status." I believe that this idea is relatively progressive within the Islamic current. Nonetheless, it should be recognized that the program put forth by Muhammad Baqir al-Hakim early this year lacks any reference to self-rule (see the *Statement and Political Program of the Islamic al-Da'wah Party*, March, 1992, London, p 57-58.) As for the Iraqi Communist Party [ICP], it adopted the idea of independence for the Kurds at its second congress in 1956. At its second conference in 1970, in its discussion of the dispersed Kurdish nation, it defined the problem of self-determination for all small and large nations, and it established the right to be free from the yoke of national persecution and the right of each nation to an independent unified national entity. It said that the granting of self-rule to Iraqi-Kurdistan means making Iraq's Kurdish area into a single province steered by a local executive council emanating from a local legislative assembly for Kurdistan elected in an atmosphere of true democratic freedoms...and this local authority's deferment to the central government regarding defense, foreign policy, and economic programming, while the local authority would be in charge of the province's administrative, cultural, and other affairs.... The Fourth National ICP Conference held in November 1985 highlighted the basic positions mentioned above and sanctioned the right to self-determination, including the right to separate. It emphasized the need for the Kurdish people in the province of Iraqi Kurdistan to enjoy true self-rule within a democratic Republic of Iraq.... The ICP's theoretical positions on treatment of the Kurdish national problem are relatively progressive. The ICP has also made major sacrifices in defending the Kurdish people's rights. At the same time, some its positions, whether during 'Abd-al-Karim Qasim's rule or during the years of its alliance in a front with the Ba'th regime

(1973-1978), had a [negative] effect [on the position of the traditional Kurdish leadership]. (See *The Iraqi Communist Party's Program and Internal Rules*, Second National Conference, September 1970, AL-NIDA' Publications, Beirut, 1970, pp 99-103. Also, see documents of the Fourth National Conference, 10-15 November 1985, pp 295-298.)

The Kurdish national movement itself is also fuzzy and vague. Occasionally, according to the statements of several Kurdish officials, the movement desires the implementation of the 11 March 1970 Declaration, the basis of which was negotiated following the suppression of the March 1991 [as published] revolt, between the current government and the leadership of the Kurdistan front. At other times, the Kurdish national movement desires true self-rule, i.e. the remedying of the shortcomings and defects in the Self-Rule Law of 1974 and the expansion of the self-rule area and the authorities granted to the local authorities. On yet other occasions, it puts forward a plan for a federation or confederation. Frequently, it promotes self-determination selfishly and provocatively without regard for the Kurdish people's special circumstances. Responding to the [Iraqi regime's] deep-seated chauvinistic persecution, some have gone so far as to angrily advocate an immediate separation and the dissolution of the Iraqi state, reflecting the [Kurd's frustration at their] constricted national scope in the face of the prevailing chauvinism.

We will now dwell briefly on several concepts. What is meant by a federation, a confederation, and the right to self-determination in constitutional and international law?

A federation is a union between two or more countries, or a group of countries that join together in a "federal union" in which the member countries cede a portion of their sovereignty and independence to a supreme authority that governs primary affairs, e.g. defense (the army), foreign affairs (diplomatic representation), the budget, etc. Under this system, other affairs are left to the member countries, whose local governments manage their own affairs and enjoy independence from the supreme authority.

A second type of federation entails the relinquishment by the central authority in a given state—particularly one having multiple nationalities or historically diverse administrative structures—of some of its authorities to local governments. The local authorities are, in turn, linked to the supreme federal authority by constitutionally defined relations.

The establishment of a federation based on a union of states, or a central government's entrusting of authorities to local governments and the establishment of a federation composed of states or political or national entities, produces a new sovereign state comprising a group of countries, each of which maintains its own government. Relations between them are governed by the constitution of the federal state and by the supreme government. In

other words, the supreme authority in a federal state represents the different states that are organized into a federal union. A federal constitution usually stipulates the supreme government's purviews and the ways in which it exercises its authorities.

The United States is an example of a federal system. It comprises 51 [as published] states that enjoy broad authorities. All authorities not in the purview of the supreme federal government are within the purview of the states. The authorities held by the provinces in Canada are more limited than those held by the states in the United States according to the provisions of the two countries' constitutions. (See al-Azzari, 'Abd-al-Karim, *History in Memories of Iraq, 1930-1958*, 1st ed., 1982, Beirut. See his review of the constitution of the Hashemite federation and his opinion regarding the federation system, pp 565-571, 583.)

Other examples of federations can be found in Australia, Mexico, Venezuela, and Argentina. The former Czechoslovakia was a federal union between the Czechs and the Slovaks formed after the 1968 events in the framework of a new constitution legislated in an attempt to solve the problem of nationalities and government. It represents the second type of federation, because the central government ceded some of its authorities to the local Czech and Slovak governments, while the supreme federal authority retained responsibility for defense, external security, international relations, and general budgetary affairs.

The federal union proposed for Iraq is closer to the second type. If the current situation solidifies, and a local government is formed in Kurdistan in the wake of parliamentary elections, the features of a federal system [in Iraq] will have become accomplished facts. This requires legislation and regulation, especially to change the current system, which in turn requires broad discussion and debate.

As for a confederation, it is a grouping of countries under a single general authority, in which the member states maintain several purviews.

Briefly, the authorities of a confederation are broader than those of a federation regarding foreign affairs and independence. A model confederation is Switzerland, where the cantons enjoy broad authorities. However, this confederation has begun to move closer to a federation. (See Dhabyan, Sami, *Dictionary of Political, Economic, and Social Terms*, Dar Riyadh al-Rays Lil-Nashr, 1st ed., October, 1990, London, pp 35, 281-282.)

The principle of self-determination has been linked to the development of the national, freedom struggle in Europe. It means the right of each people or nation to freely express its will and desire in determining its own destiny and defining its political and economic future. In this sense, the right to self-determination is based on two principles:

1. Voluntary, elective, brotherly union, which can take the form of self-rule, a federation, a confederation, or any form that achieves the independent expression and free wills of peoples in a union with other peoples in keeping with their development and position.
2. The right to separate, including the formation of a political entity and an independent state.

The right to self-determination is a legal, political principle that is subject to the actual political environment. It has developed in constitutional and international law. It is stipulated in the July 1776 U.S. Declaration of Independence and is contained in the Declaration of Human Rights and Citizenship of 1789, which followed the French Revolution. (cf. Jamil, Husayn, *Human Rights in the Arab Homeland*, Center for Arab Unity Studies, Beirut, 1986, pp 17-18.) And it was stipulated after the October revolution in Russia in 1917. The adoption of this principle opened a new era in international relations. This principle is also contained in the famous declaration by U.S. President Wilson in 1918. (See 'Uthman, Ahmad, *The International Principle of Organization for the Administration of Colonies and Its Applications in the Mandate and International Mandate Order*, Dar al-Nahdah, Cairo, 1963, p 64.)

The UN Charter greatly strengthened advocacy of the right to self-determination. This right is established unequivocally in two articles of the UN Charter.

Article 1, section 2, which concerns UN goals, refers to "the development of friendly relations between nations based on equal rights and their right to self-determination."

Article 15 of the charter emphasizes "...respect for the principle which prescribes equal rights among peoples, and that each people shall have the right to self-determination...." (see "The UN Charter and the Statutes of the International Court of Justice," Cairo, 1968.)

This principle has been codified in the International Declaration to Eliminate Colonialism, No. 1514 of 1960, which stresses the right of peoples to self-determination. That declaration deems illegal military actions or oppressive measures against nonindependent peoples, and enjoins the cessation of actions and measures, so that these peoples can exercise their right and freedom in full independence in peace. (cf. Muqallad, Isma'il Sabri, *International Political Strategy*, Arab Research Organization, 1st ed., Beirut, 1979, p 56.)

In 1955, the Bandung Conference emphasized respect for equal rights among all races, nations, and peoples, including the right to self-determination in particular. (Shibr, Hikmat, *International Law in Capitalist and Socialist Law*, Dar al-Salam Press, Baghdad, 1975, p 152.)

In addition, UN General Assembly Declaration No. 2675 of 24 October 1970 on friendly and cooperative relations between countries in the framework of the UN

Charter (which was approved unanimously) guarantees the right to self-determination, which is a governing [amirah] and binding principle in international law and relations.

The Helsinki Conference on European Security and Cooperation in 1975, which was attended by 33 countries, in addition to the United States and Canada, emphasized the principle of self-determination as an independent, binding principle in international law. (Sha'ban, 'Abd-al-Husayn, *New Issues in the Arab-Israeli Conflict*, Dar al-Kutubi, Beirut, 1987, p 63. Also see the text of the Helsinki document in the journal, *Issues of Peace and Socialism*, No. 1413, Prague, 1975.)

The human rights charters of 1948, in addition to the two international treaties of 1966 regarding human, civilian, and political rights, as well as economic, social, and cultural rights, include the principle of self-determination when they emphasize that "all peoples have the right to self-determination in: determining, freely by dint of this right, their political position; freely pursuing their economic, social, and cultural development; ...and freely using their natural resources and wealth to achieve their objectives...."

How is it possible to realize a just solution to the Kurdish problem in Iraq in light of the concepts presented above? As in the past, the Kurdish problem is strongly linked to the crisis of government in Iraq. This crisis cannot be resolved without solving the Kurdish problem and fulfilling the Kurdish people's legitimate demands. Otherwise, no [Iraqi] government can survive, and Iraq will not be able to live in peace and domestic stability. If we establish the right to self-determination as a principle, why do we reject it or attempt to diminish or disregard it when considering solutions to the Kurdish problem, as some are attempting? Why do we establish this principle for distant peoples, but we have no appreciable link to it? Why is it that we disregard this principle when we discuss the Kurdish people's problem? Are not distinctions being made here? Moreover, is this not a contradiction? I maintain that it is blatantly contradictory when some who recognize self-determination for Namibia, El Salvador, and all peoples of the world, and who side with every Muslim and non-Muslim people, consider mere talk of the Kurdish people's rights, especially its right to self-determination, separatist and aimed at dividing Iraq. Moreover, some believe, as the current Iraqi regime is rumormongering, that it is a kind of great "conspiracy" that threatens the "Arab nation," while others do not find such narrow-minded, abstruse theses farfetched.

The tragic conditions being experienced by the Kurdish people in Iraq require the adoption of a peaceful, democratic solution to the Kurdish people's problem. This solution must be based on general the principles of international and constitutional law, which uphold recognition of the right of peoples to self-determination.

This is the solution being raised as an appropriate, lasting framework in which a suitable legal formula can be chosen.

Based on the principle of self-determination and the current situation and environment, this solution can be realized by consensual agreement between the representatives of the Arab and Kurdish peoples in Iraq through free, fair elections after Saddam Husayn and his regime are removed to secure the common interests and mutual benefits of Arabs and Kurds and cooperation between them.

The legal formula which regulates relations between the two parties must guarantee the Kurdish people's aspirations to existence, life, freedom, and progress, whether it is an upgraded self-rule formula providing for extensive authorities under a democratic, constitutional system for Iraq in its entirety, or any other formula based on self-determination which guarantees the Kurdish people's independent right to expression and development.

The establishment of the right to self-determination is not a "gift" or "favor" given by someone. It is a right which must be achieved immediately in the light of the painful climate of persecution and oppression which the Kurdish people have experienced for many years.

A solution to the problem of rule in Iraq must be based on the rights of two equal peoples in the framework of a state which represents the two main peoples and other national minorities, e.g. the Turkomans and the Assyrians. It is necessary to reassure these minorities, fulfill their cultural and administrative rights, and eliminate discrimination against them. When the Iraqi opposition emphasizes this position, it is aware of the dodges and tricks practiced by successive governments, especially the current government. The latter will be in no position to gain time and be satisfied with merely promoting slogans while acting to strip them of meaning. Also, the Kurdish movement and the fighting Kurdistan front have learned from their reality and from historical experience that the problem of the Kurdish people in Iraq cannot be solved without the existence of a pluralistic, parliamentary, democratic system and strong relations with their brother Arabs in Iraq, far from the methods of the government and the forces lying in wait at home and abroad, as emphasized recently by the Kurdish leader, Jalal Talabani.

In order for the solution to be well anchored and lasting, the new constitution should emphasize the principle of Arab-Kurdish brotherhood and partnership in the Iraqi homeland; the outlawing of nationalistic, chauvinistic discrimination and persecution; and punishment of anyone who practices it, encourages it, or conceals it.

Emphasis on the Kurdish people's right to self-determination based on actual historical circumstances is crucial to guaranteeing the interests of the joint struggle of the Arab and Kurdish peoples, and [to

repairing] the rift in Arab-Kurdish relations caused by the actions and chauvinistic policies of dictatorial governments.

It is necessary to adopt a new, peaceful concept of equal citizenship based on all Iraqis being equal before the law and emphasis on national identification without discrimination on the basis of race, religion, color, creed, or social or national persuasion. This requires eliminating all of the inhumane aspects, practices, and laws that are embodied in forced displacements, nationality laws, and forced changes in the demography and national composition of the Kurdistan province area. This will be a serious contribution to solving a basic part of the problem of government in Iraq.

Opposition Leader Discusses Disintegration Fears

92AE0668A London AL-HAYAH in Arabic 7 Sep 92 p 8

[Article by Iraqi opposition leader Layth Kubbah: "Saddam's Regime Responsible for Political Disintegration in Iraq"]

[Text] The coalition's recent decision to establish a "no-fly zone" in Iraq, south of the 32d latitude, stirred up fears in Arab public opinion that were expressed by many Arab officials in statements opposing this plan. These statements have been covered in articles by journalists, columnists, and news agencies. Speeches by Arab deputies and statements by political organizations have been broadcast against the security plan, especially in Yemen, Sudan, and Jordan.

With the exception of Kuwait, the rest of the Arab countries have been silent vis-a-vis this plan or have had reservations about it. Everyone has participated in supporting Iraqi unity, opposing its fragmentation, and rejecting its partition by sect or race. On the other hand, many Iraqi organizations opposed to Saddam Husayn's regime have already called on the international community to apply Resolution 688, intended to protect the Iraqi people from the practices of collective oppression. They have called on the international community and the United Nations to expand the security area in northern Iraq to include the rest of the oppressed areas, especially the Iraqi south, which has not had its share of humanitarian and international assistance to the extent that the rest of the Iraqi areas have had following the calamitous war.

There is no difference between Arab public opinion and the position of the various factions of the Iraqi national movement with regard to concerns for Iraq's unity and national sovereignty and fear for Iraq and its future sovereignty. Of course, the Iraqi national movement is more anxious over Iraq's future than are its Arab brothers.

There is a great difference, however, in diagnosing what will strengthen Iraqi national unity and what constitutes

its imminent danger. To keep the difference in viewpoints from turning into a dispute, the fantasies and facts about the security pocket and the fear of partitioning Iraq must be made clear.

The ruling Arab Ba'th Party in Baghdad, and its leader Saddam Husayn, have succeeded in shuffling the cards. They have dug in behind the Iraqi masses and entrenched themselves behind slogans of nationalism, Arabism, and Islam. The regime's propaganda and diplomatic machinery has raised fears and kindled fires. It has then exploited those fears for one central purpose: to prolong the regime's life and maintain the president's life, regardless of their deep, destructive affect on national unity.

One can list these fears as follows:

1. There is an international plot, led by the United States, to partition Iraq. The partition plot is sectarian and racial and would make the south Shiite, the north Kurdish, and the central area Sunni.
2. Iran would gain from protecting the Iraqi south and would spread its influence by means of the population of the al-Ahwar area in order to establish a Shiite government that would be within the Iranian orbit.
3. Iraq is heading for civil war between Shiites, Sunnis, and Kurds, which will end with total destruction, as has happened in Yugoslavia, Lebanon, Somalia, and Afghanistan.
4. Saddam Husayn's regime might be bad, but it is the lesser of two evils, because the alternative to it will damage Arab interests in general, and the Sunnis in Iraq in particular.
5. Some see the Iraqi president as a symbol of resistance to escalating American influence in the region, and, consequently, they fear for the steadfastness of the remaining elements of opposition to American influence if the regime falls.

These fears can be summed up logically by saying that the elimination of the central government, represented at the present time by Saddam Husayn's regime, would mean the elimination of Iraq and would expose it to disintegration, civil war, regional instability, increased Iranian influence and Shiite extremism in the Gulf region, and placing the region under the American umbrella.

We shall attempt to expose all of this, very briefly, by the following evidence.

1. The truth about the American plot to partition Iraq: The American administration's policy in the last decade was based on strengthening Iraq in order to counter Iran; prevent the Kurds from separation, in the interests of Turkish stability; and to maintain political stability of the Gulf oil sources. These justifications are still present in the Republican Party's administration and in British

foreign policy circles. In the past, these countries pretended not to notice the evils of Saddam Husayn's regime, supported Iraqi unity, and opposed any tendency toward division or partition, for reasons connected with the totality of the Middle East's situation and the Western nations' policy toward the region.

This explains the considerable support that Saddam Husayn's regime has received from the American administration, especially from George Bush's regime, which today suffers from the "Irangate" scandal, because it financed, armed, and supported Iraq from the 1980's until just before the invasion of Kuwait. Scores of diplomats and Western experts, who support the Arabs in general and who are friends of Iraq in particular, within the corridors of the U.S. State Department still fear for Iraq's future without Saddam Husayn. They are compelled to defend his regime, despite their contempt for him, because of their fears about the alternatives. America's position vis-a-vis Iraqi unity is no secret to the Iraqi Government, nor to the Gulf and Arab states. On the contrary, the most important reason to delay opening dialogue between the Iraqi opposition and the American administration was America's fear about certain separatist and extremist tendencies. One can say that the West is not moved by the facts of the Iraqi people's suffering, but it is concerned about the region's stability and the retention of a strong government in Iraq in order to maintain its unity and sovereignty. This explains the long wait for a plan to overthrow the palace. The American administration hoped for a military initiative that would preserve the country's unity, instead of plunging into an unknown political future. That might please an Arab, nationalist, or Islamic fundamentalist political initiative, which make it their first concern to be hostile to American interests and to raise doubts about American intentions and the existence of a secret plan to partition Iraq. It may also have propaganda objectives and raise mass consciousness aimed at kindling public opinion against America. Several Iraqi opposition factions might participate in that, but these Arab movements are very wrong in their opposition to the only resolution issued by the Security Council (688) that has direct benefit for the unfortunate Iraqi people. The Iraqi people have the right to question the silence of governments, including the Iraqi Government. Their silence over more than 20 other resolutions is injurious to Iraq's national interests.

The Iraqi people, who are bleeding to death because President Saddam Husayn continues his repression and insistence on remaining in power, want the international community to help them, since the Arab community has been silent about the dreadful crimes occurring in Iraq. Today, the Iraqi people reject the idea that it is expedient for the interests of certain radical regimes and parties to make hostility toward everything Western their first concern, even if means more calamities for the already suffering Iraqi people.

2. What does Saddam Husayn's continuing in power mean? That Saddam Husayn remains responsible for the

disaster that befell the region is a clear fact that cannot be covered up by the slogans, propaganda, fantasies, or fears. The Arabs and Muslims lost their general oil wealth because of Iraq's invasion of both Iran and Kuwait. Divisions among neighboring states in the heart of the Arab and Islamic world have become deep, and the image of the Iraqi peoples has become distorted to the world. Iraq's unity has been convulsed, and Iraq's national sovereignty has been abused. Saddam Husayn's rule has sacrificed more than 2 million citizens in the past 10 years and has destroyed Iraq's military capabilities and infrastructure, while the president remains in power, celebrates his birthday, and claims victory by remaining in power, after he delivered the Iraqi Army into the grinding jaws of war.

No matter how much the Iraqi regime's propaganda machine repeats the claims of Saddam Husayn's resistance to America, he represents the bridge of Western penetration into the region and their seat of influence. No matter how much they repeat attempts to make him a symbol of Iraqi unity, the truth is that Saddam Husayn has destroyed Iraq, which is the fruit of 70 years of national rule. His repressive measures against Iraqi citizens, especially against Shiites and Kurds, have weakened national unity and opened doors to political opportunism by certain trends and movements. Arabs and Muslims cannot accept what Saddam Husayn's apparatus did during his invasion of Iran and Kuwait. It is a shameful disgrace for Arabs and Muslims not to be able to justify or defend it on any pretext or excuse.

The regime's propaganda and diplomatic machine is again trying to stir up Arab public opinion in order to shelter itself in the latest desperate attempt to defend the crimes that cannot be defended nor covered up. The Iraqi regime is against asking for help to defend the unity and sovereignty of Iraq.

The fact that we want to express is that Saddam Husayn is planting and nourishing the seeds of disintegration among the people of Iraq, using a policy of "division," even though Iraq's history is free of sectarian and bilateral conflict. Therefore, the greatest danger to national unity is the continuation of Saddam Husayn's regime, which is pushing the country into the abyss of disintegration and racism.

3. The danger of civil war, divisive conflict, and partition: The Iraqi opposition's point of view is totally dissimilar to the fantasies that Saddam Husayn's regime is circulating, which stir up rumors among the Iraqi masses through its zeal for the game of provoking the fears mentioned above, i.e., that eliminating Saddam Husayn means eliminating Iraq. The truth of the matter is quite the opposite, as we will show in the following points:

In Iraq's contemporary history, since the establishment of the Iraqi state, or in its ancient history, during Ottoman rule, Iraq has had no sectarian or racial conflict among its people. Arabs have not persecuted Kurds, nor

have Sunnis persecuted Shiites. Iraq's soil has been distinguished by its welcoming of different religions, creeds, and ethnic peoples. The majority of Iraq's people are Arab Muslims. Their country has seen Ottoman-Safavid conflict without the people of Iraq being dragged into the conflict. That conflict did not turn into sectarian fighting.

The roots of Shiite and Kurdish suffering in Iraq go back to successive governments in Iraq, which neglected development of the northern and southern areas. However, in recent times, since the Ba'th Party came to power, the military government's persecution of all of the Iraqi people has multiplied, especially the Shiites in the south and the Kurds in the north, who together are 80 percent of the population. Saddam Husayn has outdone his predecessors a hundred times in his persecution of the Iraqi people. This has led, for the first time in Iraq's history, to a kindling of sensitivities of ethnic and sectarian persecution and feelings of oppression, among both the Kurds in the north and the Arab Shiites in the south. Massive uprisings occurred in these areas after the Gulf war, but these feelings were targeted against Saddam Husayn's power. They did not turn into Kurdish hatred against Arabs or Shiite against Sunni, because of the consciousness of Iraqi political movements, the awareness of Iraqi masses, and the depth of national feeling. The Iraqi president has tried, and is still trying, to deepen rancor and stir up hatred among Iraqis so that he can use some of them against others. He has had no success worth mentioning.

One must carefully examine the segments of Iraqi people themselves and their political movements and identify the preachers of division and partition among them, so that we may understand the size and truth of the imminent danger. The capital of Baghdad, located in the center of Iraq, where inter-sectarian and interracial marriages are common, would be difficult to partition, while the other Iraqi areas are distinguished by clear population density, with a limited duality. The most important of these are the central Euphrates and the south, which is populated by Arab Shiite clans. National, liberal, ethnic, and leftist tendencies are joined with Islamic sentiments.

As for the north, Iraqi Kurdistan is populated by Kurdish tribes, which comprise an important part of the Kurdish people, who are distributed in several countries. In addition, there are minorities, including Turkomen, Assyrians, and Christians. The north has several movements, including the National Kurdish Movement, as well as leftist and Islamic movements.

As for al-Jazirah, northwest of Baghdad, it is populated by Sunni Arab clans, which traditionally have been known for the strength of their Arab nationalism. For historical reasons, the administration of the Army and police was limited to the Arab Sunni clans, which enjoy a relatively high influence in proportion to their population size. It would be impossible for Sunni Arab clans to call for separatism from Iraq, because of the strength of their nationalism on the one hand, and the poor

national and oil resources in al-Jazirah on the other. No separatist calls have been heard from the shaykhs of these clans or from the political movements, with the exception of the rumors in London concerning a nonserious call made by some notables of Mosul, who demanded that the city be put under special administrative status to protect it from being dissolved in the identity of a future state.

As for the Arab Shiites, there have been no calls for separatism or self-government from their notables, ulema, or shaykhs. They have not demanded an exceptional status for their areas. They are Iraqis and share in its legacy and history, especially since the modern, national history of Iraq has been built on their shoulders. They were the leaders of revolutions against the English, calling for liberation and independence. They made up the majority of national movements in Iraq. All of the political parties operating in the south understood that the interests of their members could be achieved by the continuation of national unity, or rather, that the Arab Shiite tribes were the actual guarantee of Iraq's unity. National unity or Iraq's Arab identity could not be achieved without their presence.

Accusing the Iraqi Shiites of loyalty to Iran or of preferring Iranian interests over Iraq's, or saying that they are under Iran's influence, etc., is a complete lie, which Saddam Husayn's regime has used to mobilize Arab public opinion against the Shiites and suppress their rights. The overwhelming majority of Iraqi Arabs are Shiite Muslims, and the Shiites of Iraq are Arab tribes, whose lineage differs racially, culturally, politically, and in heritage from the Shiites of Iran. They will not be in Iran's orbit, despite the intense persecution by the Iraqi authorities. The Iran-Iraq war proved this over a period of several years, when the Shiites religious authority in al-Najaf remained distanced from the changes in Iran.

As for northern Iraq, the Kurdish national movement has been established there, in the same way that the Arab national movement was established in the rest of Iraq. It is a movement that calls for uniting the Kurdish world into one nation. The circle of the national movement's influence has expanded as a result of intense persecution.

The danger of political anarchy: During the past 13 years, Saddam Husayn's regime succeeded in completely eliminating most of the religious and political institutions, replacing them with security and military institutions directly linked to its will. Today's Iraq lacks the activities of free professional organizations, the voices of prominent national figures, a free press, and religious societies, in addition to political parties and institutions. Voices are raised only outside Iraq. The number of names of opposition movements has increased to 60. There are several radio stations and militias stationed on the borders, filled with the influences of foreign countries. What Saddam Husayn has wanted, and has succeeded in achieving, is to be followed by a "political vacuum," to the degree that everyone fears. He wants this to frighten them away from his regime, because

everyone fears the anarchy that could result from the fall of his regime. Meanwhile, he continues his destructive rule, making the people drink deadly poison every day and mourning their misfortune.

In reality, there are legitimate fears about the future situation and political administration, because of these contradictions and differing interests and wills. Responsible circles within the Iraqi national movement have been working to create a national framework to express the independence and will of the Iraqi people, a nucleus of a future political administration that will work with future authorities inside Iraq to normalize conditions and shift them to constitutional legitimacy. The start of the unified political will was in the "Joint Action Committee," first, and then in the "Iraqi National Conference" (the Vienna conference). Work is still continuing to contain fears of political anarchy and lessen fears of civil strife in the future. No one should forget that the fear of political anarchy is a weapon forged by Saddam Husayn over the years, but his continuing in power is the biggest danger. It is inevitable that the Iraqis must confront this matter, contain it, and lessen the possible damages that could occur in the difficult transitional period.

The Arabs' role in supporting the Iraqi people: We should not ascribe the positions of official or private Arab public opinion only to the efficiency of the Iraqi propaganda machine. On the contrary, these positions are attributable to the double standard in values, from which many Islamic and national movements in Arab countries suffer. One must question the morality of certain voices defending the Iraqi president and question the real interests of nations that oppose protecting the lives of innocent people, on the grounds of fear of partition.

Arab public opinion, official and private, ignored what the Iraqi regime did to the rights of the Iraqi Muslim people in Kurdistan, when the tragedy of Halabjah met with Arab silence. It was embarrassing sometimes and shameful at other times, as when Saddam Husayn's government used mustard gas against the town of al-Amanah in 1988, killing more than 10,000 people without an official or private protest. Arab public opinion ignored the fate of Kurdish Muslims, after the uprising was suppressed last year, and 2 million people fled into the mountains. Despite the fact that that stirred up Western public opinion, the Muslim people allowed the security area to be under the umbrella of foreign protection, international assistance, and Western humanitarian organizations. Arab public opinion, official and private, ignored other crimes, such as when the Iraqi Republican Guard suppressed the uprising in the south, burning books and libraries, and seizing sacred and holy places, without any protest from the Islamic fundamentalists who support President Saddam Husayn. Arab Muslims have been remiss in fulfilling their obligations to their brothers. They leave the task to foreigners, in the name of humanitarian assistance and human rights, to defend Shiite Arab Muslims and Kurds. The most damaging thing about that is that some of them

confuse the matter and side with the Iraqi Government against the people, on the pretext of hostility to the West.

It is clear that there is an obvious gap between Arab public opinion and the view of the Iraqi national movement and the political organizations that are opposed to Saddam Husayn's regime. There is a difference between Iraq's interests from the perspective of the countries of the region and their national interests, and the popular and national perspective of Iraq's interests. Therefore, the real reasons behind the reservations that certain countries have expressed can be ascribed to the influence of the expected political change in Iraq on their own internal situations. For reasons related to their national interests, they prefer Saddam Husayn's continuing to oppress the Kurds in the north and the Arabs in the south to the plan of security zones.

In conclusion, one must refer to the excellent efficiency of the Iraqi propaganda and media organizations, which are professionals at inciting, brainwashing, and reminding the reader of some of its accomplishments in the Arab field over the past years. The Iraqi media and diplomatic apparatus has succeeded in mobilizing Western and Arab fears against the fundamental Islamic trend and in translating these fears—over many years—into Western financial loans and technology and Arab support during Saddam Husayn's war against Iran. Thus, this professional machine was able to change the image of the Iraqi president from the symbol of resistance to Iranian religious extremism to a symbol of the masses of Islamic fundamentalists in North Africa and Jordan. Later, the propaganda machine succeeded in mobilizing Islamic fundamentalism itself to the side of Iraqi president Saddam Husayn, after his invasion of Kuwait and during the second Gulf war, depicting Saddam Husayn as a symbol of resistance to Western influence after he personally put the slogan "Allahu Akbar" on the Iraqi flag. In that way, he split the Arab and Islamic masses into those who support and those who opposed his invasion of Kuwait.

These successes were preceded by a series of propaganda successes within Iraq, which were not limited to falsifying facts, but rather, obliterated them, substituting fantasies and allegations.

These fears are not new. They were not confined to Arab political and media circles, nor limited to certain clans surrounding Saddam Husayn's regime. Saddam Husayn's regime had raised them in the 1980's, using them in European and American circles.

We aspire to a program of future comprehensive political reform to restore the confidence of the people of the north and south, especially the Shiites and Kurds, in a future Iraqi Government and state in which national unity will be strengthened. That future state will defend all citizens without discrimination and favoritism. In Arab voices, we hope to hear sincerity and consciousness and understanding for the Iraqi people's tragedy, with help for them in the difficult days to come.

KUWAIT

Evidence Offered on Kuwaiti Independence From Iraq

Kuwait Called a Historical Truth

92AE0528A London AL-HAWADITH in Arabic
31 Jul p 35

[Text] The National Center for Documentation of Iraqi Aggression Against Kuwait, headed by 'Abdallah al-Ghunaym, published the Kuwaiti foreign minister's answer to the Iraqi memo regarding Kuwait-Iraqi borders that was submitted to the UN Secretary General. The Kuwaiti reply is based on documents that Iraq has signed. These include the 1932 agreement and the 1963 agreement that confirmed the earlier agreement.

The Kuwaiti reply to the Iraqi foreign minister's allegations is based on 17 facts that expose the flimsiness and the confusing and contradictory character of the Iraqi evidence of support

In addition to the importance of what the Kuwaiti reply said, the most important part of it is clause 16. The following is an abridged text of that clause:

The Iraqi memo has sought to involve the United Nations and the Security Council in endless allegations about Kuwait's historical existence, allegations that reliable scientific sources have already answered and studied. Sufficient proof, maps, and studies have been published in this regard. Thus, playing along with this historical fantasizing is a waste of time. These allegations of historical rights are quite contrary to the conclusions reached by the fundamental principles of the international law, to the effect that borders drawn prior to independence are the borders that should be adhered to. This was the principle that was applied in Latin America and endorsed by leaders of the African continent in 1964 as a means of resolving border disputes. The Security Council adopted these principles when it endorsed the borders on which Kuwait and Iraq agreed in 1932 and 1963, principles that are supported by studies of international law and that reject renunciation of border agreements on the grounds that they have not been ratified.

In support of its claim, Kuwait relies on documents that date back to the time before Iraq became an independent state. Any impartial historian would see that for about three centuries (1709-1992), Kuwait existed on the northern part of the Arab Gulf as a distinguished entity that maintained its independence in all circumstances. This was evident in the case of the Ottoman state, which ruled Iraq, while Kuwait's relations with it were restricted to that general Islamic bond that linked the Islamic countries to the Islamic Caliphate. There was no Ottoman presence whatsoever in Kuwait. This is proved by the fact that Kuwait relied on itself in repelling tribal assaults, without receiving any aid from the Ottoman authorities in al-Basrah or Baghdad.

This is also proved by the fact that Kuwait was a haven for those who rebelled against the Ottoman authorities in Baghdad, such as Shaykh Thuwayni, tribal chief of the al-Muntafak tribe; and Mustafa Agha, an official of al-Basrah. Shaykh 'Abdallah al-Sabah refused to extradite them despite the threat by Sulayman Pasha, the governor of Baghdad, to send a military expedition to force Kuwait to do so.

Another fact that proves that Kuwait was not under Ottoman rule was that its ruler allowed the British agency that belonged to East India Company to move from Basrah to Kuwait (during the period 1793-95) following a dispute between the agency and the Ottoman authorities in Basrah. This would not have happened if Kuwait had been a subject of the Ottoman authorities ruling Iraq or came under Ottoman rule.

If we look at Kuwait's location in geographical photographs, we will find even stronger proof of Kuwait's distinctive entity, of which are the following:

1. The map drawn by Karl Ritter, a German scholar considered to be a founder of contemporary geography. Kuwait's picture in his map of the Arabian Peninsula appears within a circle enclosing its present location, including the islands of Bubyah and Warbah and parts of southern Iraq.

2. The Arabian Peninsula map in the book Belgrave wrote about his journey to Arabia (1862-63). The map shows that Kuwait is colored quite differently from other political units in the area, which is the Ottoman state, extending from the north (Iraq) to Nejd in the south. It is observed that Kuwait's northern borders include the islands of Bubyah and Warbah and the Arab side of the southern part of Shatt al-'Arab, which includes Umm Qasr and most of al-Faw.

As for 1913 agreement between the Ottoman state and Britain, it absolutely did not provide that Kuwait should become part of al-Basrah Province, as reiterated in the Iraqi memo. In fact, Article 2 of the agreement provided for the Shaykh of Kuwait to undertake an independent administration in his area and prohibited the Ottoman Government from any interference in the Kuwaiti affairs, including the question of inheritance and of any other administrative actions. It also prohibited any occupation or military action in the districts that belonged to Kuwait. Nevertheless, the agreement took various parts of Kuwaiti territory and gave them to Iraq. This was at the request of Shaykh Mubarak al-Sabah, as documents and historical facts prove.

Iraq itself admitted these incontrovertible facts and confirmed them in two clear recognitions of the state of Kuwait and its borders, the first in 1932 and the second in 1963. The Iraqi Republic annual book published in

1988 confirms this fact, whether with regard the information it contains about Kuwait as a neighborly and sisterly state or in the maps attached to it, which show the Kuwaiti-Iraqi borders to be very similar to the picture the UN committee on border demarcation has drawn.

Perhaps this review will put an end to fantasies and imaginations and will further strengthen the grounds that Kuwait is a historical truth in its administrative entity and political borders, which were evident half a century before Iraq become independent.

Kuwait Called Independent by Iraq

92AE0582B London AL-HAWADITH in Arabic
31 Jul 92 p 37

[Text] On 23 September 1989 the ruler of the State of Kuwait visited Iraq at the invitation of Saddam Husayn. The visit was particularly warm in that Saddam Husayn personally welcomed the emir of Kuwait. The visit culminated with awarding Shaykh Jabir al-Ahmad the highest Iraqi medal, the al-Rafidayn Medal of the first order. In return, the emir presented the Great Mubarak Necklace to the Iraqi president. The interesting thing that transpired after the Iraqi invasion of Kuwait was that presidential decree No. 472 of 23 September 1989 clearly recognizes Kuwait as an independent state that is headed by an emir, whose wise and prudent rule of the country calls for awarding him the al-Rafidayn medal. After the preamble, the decree says the following:

"In appreciation of all this, in recognition of Kuwait's honorable stand, and in accordance with the provisions of clause one of Article 5 of the law governing the award of medals and decorations, No. 95 of 1982, we have decreed the following:

"His Highness Shaykh Jabir al-Ahmad al-Sabah, the emir of Kuwait has been awarded the al-Rafidayn Medal of the first order of the civilian grade."

And so, only 10 months after the presidential decree was issued, the forces of the signatory of the decree occupied Kuwait, forgetting what Saddam Husayn said about Iraq being proud of Kuwait's stand, that the emir is a brave nationalist who believes in his Arabism and religion, and that "we are one family living in two independent states." After justice prevailed and Kuwait was liberated, the Iraqi regime laid low for a while in order to catch its breath following the crushing defeat it suffered at the hands of the forces of justice. It then once again started misleading its people with falsehoods that portrayed Kuwait as an Iraqi territory. The July [Iraqi revolution anniversary] celebrations called for presenting a plaything to his defeated people. Having closed the eastern door by his humiliating submissiveness to his neighbor Iran, against whom he previously demonstrated his might, and since the war has destroyed much of the country's infrastructure, he no longer is able to boast about July's achievements and its glorious actions. Therefore, there was nothing left in the Iraqi regime's

bag of tricks except to allege that Kuwait is an Iraqi territory, thus forgetting that Saddam Husayn recognized Kuwait as an independent state whose emir he awarded a medal as a token of appreciation. In accordance with the 1932 treaty, his [Saddam's] predecessors recognized Kuwait as an independent state. Before Saddam was 'Abd-al-Karim Qasim, but he was less adventurous and finally confessed that Kuwait was an independent state in 1963.

Economist Analyzes Postwar Planning, Projects

92AE0669A London AL-HAYAH in Arabic 2, 3 Sep 92

[Article by Lebanese economist Marwan Iskandar: "Kuwait a Year and a Half After Liberation"]

[2 Sep 92 p 10]

[Text] Kuwait, an important Arab country, was subjected to Iraqi occupation on 2 August 1990. The consequence was a war of liberation that lasted from 18 January 1991 to 28 February of the same year, the date of the liberation of Kuwait. In the period that has elapsed since the date of liberation and the return of the Kuwaiti Government from its temporary residence in Saudi Arabia, important developments have emerged to indicate Kuwait's direction and conditions during the next 10 years. In this two-part article, we will try to present the most important developments. We will begin with political and economic trends and economic efforts. Then we will review Kuwait's financial resources, its investment options, and the extent to which it will be able to realize long-range development goals.

Main Political Features

After liberation, the Kuwaiti regime wanted to achieve a greater degree of understanding with the opposition without making large-scale concessions in the area of representation, either in the Cabinet or by hastening elections to replace the National Assembly with a legislature elected on principles providing for popular representation.

With regard to formation of the post-liberation government, steps to bring the rulers and the ruled closer together were represented by the assignment of the Oil and Finance Ministries to two young specialists of common origin. This is the first time this has happened since 1975, when the Finance Ministry was headed by a commoner, albeit closely connected to the rulers, and when the Oil Ministry was headed by 'Abd-al-Muttalib al-Kazimi.

After that date, the Oil Ministry became the purview of a qualified member of the ruling family, while the Finance Ministry was entrusted to two technocrats from outside the family. After Mr. 'Abd-al-Latif al-Hamd resigned from the ministry following the Suq al-Manakh crisis, the ministry was entrusted for a time to the minister of oil.

This situation—placing the Finance and Oil Ministries in the hands of two young Kuwaitis from outside the family—is an accomplishment whose significance should not be underestimated, because Kuwait's finances and its oil industry are passing through a critical period. Now, more than at any time in the past, Kuwait's future depends on oil revenues and their good utilization.

In addition to this change, the Cabinet has moved two sons of the previous emir to the posts of Foreign Minister and Defense Minister. There was a feeling before the Iraqi invasion that the previous emir's family was insufficiently represented, while power was concentrated with Emir Jabir al-Ahmad and his brother, Foreign Minister Sabah al-Ahmad. Thus the foreign minister, the emir's brother, lost his post to satisfy his cousins and in response to popular attitudes.

The opposition was strong before the invasion, and its strength continued during the first months of the invasion, until the People's Conference of Kuwaitis was held in al-Ta'if. The opposition made no progress in the areas of participation in the government or hastening elections and dissolving the National Assembly, a sufficient number of whose members had been appointed by the government to ensure its obtaining a majority of votes on any essential issues that were raised.

The Kuwaiti regime adopted two paths in the political area. In the foreign policy area, the regime moved to strengthen relations with the United States, Britain, and France. It signed a 10-year agreement with the United States providing for joint military maneuvers and the storage of American weapons in Kuwait. The orientation toward Britain was similar. The agreement with the French stressed providing training and logistics more than armaments and allowed for joint defense, if necessary.

Hand in hand with the Kuwaiti Government's Western orientation and implicit aloofness from the Arab milieu, the government concentrated its domestic efforts on lining up support by providing a variety of benefits to Kuwaitis. The amount of benefit gained varied among groups, but the overall intention was clear.

In the first postwar budget, extending from 1 July 1991 to 30 June 1992, the government assumed huge outlays to help Kuwaitis. These came to 3.9 billion dinars (\$13 billion) and were allocated for the following purposes:

- royal grants to Kuwaiti families that remained in Kuwait during the months of occupation;
- reducing real estate loans for Kuwaitis;
- reducing consumer loans (the preceding two items provided benefits to 120,000 Kuwaitis, more than one-quarter of the population);
- retroactive salaries;
- a 25-percent increase in the salaries of public-sector employees;
- cancellation of telephone and electricity bills and customs duties.

To further please Kuwaitis and ease their situation, the National Assembly, followed by the Cabinet, also approved a plan to buy up 5.5 billion dinars (\$18.7 billion) of hard obligations held by Kuwaiti banks, 1.25 billion dinars (\$4.25 billion) of obligations of the three major investment companies, as well as the Kuwaiti Financing House, whose obligations amounted 250 million dinars (\$850 million). It should be mentioned that although this huge burden, which the government has assumed in exchange for 20 years of debt, will rescue the banks from bankruptcy and many Kuwaitis from the burden that remains from the debts of Suq al-Manakh, it will lead to burdening the government with yearly interest that fluctuates around the going interest rates, probably no less than 7 to 8 percent a year—i.e., between \$1.68 billion and \$1.92 billion a year. This figure can be compared with a projected oil income of \$7.93 billion for 1992-93 (1 July to 30 June). Interest on the loan will equal 21.1 or 24.2 percent of oil revenues for this year. Of course, this will decrease as oil revenues rise in the future, either because of increased quantities exported or because of increased prices (or for both reasons). This situation represents the best possible forecast.

Despite generous gifts and the intention to approve the hard obligations project that went into effect on 11 May 1992, the government has not achieved the support for its policies that it wants and needs. This became evident in the elections for the Chamber of Commerce board of directors. As is commonly known, the Chamber enjoys powerful influence because of the prestige of the old families represented in it. The Kuwaiti regime backed a slate unacceptable to the merchants. The government slate lost, except for its head.

The experience of the Chamber of Commerce elections may have speeded approval of the project to deal with hard obligations. It also pushed the government again to adopt a policy of buying real estate at favorable prices. The government approved a 10-year appropriation of 1 billion dinars (\$3.4 billion) for this purpose to be disbursed in equal installments to help support real estate prices, which have dropped by 50 percent. Many people have been hit with losses; many have been unable to repay their debts.

Many real estate companies are also facing difficulties that are bound to ease after this policy is implemented. The policy of buying real estate at favorable prices has been used for more than 30 years to inject liquidity and stimulate the economy.

The yearly amounts varied in the past. They increased in years of economic crisis and decreased in years of prosperity. Finally, however, this kind of expenditure is nonproductive; its goal and result are to increase the problem for the state, and along with dependency may go political subservience.

Achievements, Challenges

Kuwait has achieved many things quickly, but there has been no lack of difficulties and challenges, some of which

threaten the future of these achievements. We shall review past accomplishments and future goals and compare this with Kuwait's position in OPEC and its relations with the Arab states.

The greatest achievement was extinguishing 732 wells set on fire by the Iraqis. The operations took eight months, rather than the period of two years that experts had estimated when work began. Thirty teams participated. The cost of extinguishing the wells was estimated at \$2 billion. The operation ended on 6 November 1991.

During the extinguishing operation, oil production took place from other wells on an accelerating basis. Western companies also put the refineries at al-Ahmadi and Mina' 'Abdallah into operation again at rates that increased to 50 percent of capacity. However, operations to repair and reopen, even partially, the largest refinery, al-Shu'aybah, are still behind schedule. Kuwait's present refining capacity is close to 350,000 barrels a day, against a theoretical capacity for the three refineries that under the best circumstances in 1989-90 amounted to about 817,000 barrels a day. Thus the operating rate today is 43 percent of what it used to be.

Compared with refining operations, one can say that oil production operations have developed at a better speed. Kuwait's current production is 1.1 million barrels a day and is predicted to reach 1.4 million barrels at the end of the year. This is slightly less than the quota of 1.5 million barrels a day that OPEC approved for Kuwait before the invasion, though one should remember that Kuwait's production used to exceed its quota by 275,000 barrels a day. This was considered to have caused oil prices to decline to a level of \$14 per barrel.

Kuwait intends to increase its future production capacity to the level of 4 million barrels a day at the end of the century. This capacity, it should be mentioned, had been achieved by Kuwait in the early 1970's, when the government established a production ceiling at the level of 3 million barrels a day. After the 1974 oil price increases, Kuwait lowered its production ceiling to the level of 2 million barrels. The cost of the production capacity development program is estimated at about \$10 billion through the end of this decade. It is estimated that world demand for Middle Eastern oil may increase quickly after 1995, as long as large discoveries are not made in the Soviet republics to compensate for the drop in Russian production and as long as American and North Sea production continues to be low.

The relative speed with which Kuwait's production has been raised to the levels realized and desired at the end of the year has not been without its share of burdens. On the one hand, it became clear that 1.7 billion barrels of oil reserve had been lost to fire. These could be considered a total loss to Kuwait and the rest of the world. At current oil prices, the value of this loss is \$30 billion, and it must be taken into account when one computes the losses that Kuwait suffered from the Iraqi invasion.

Another loss may be related to the speed with which production has been increased and cannot currently be calculated. It involves two factors. On the one hand, some experts estimate that costs of producing Kuwaiti oil have risen by 20 percent because production is concentrated in wells with greater cost and is taking place at greater speed than production from previously exploited wells. Furthermore, the quality of oil extracted from some wells has declined, and the amount of water accompanying production operations has risen. There are many indicators that show that Kuwait must use more advanced techniques in the areas of production and well development, exploration, and drilling. This apparently has led to contracting with British Petroleum (BP) to assume a basic role in supervising production and development operations and in oil and gas transport. The Kuwait Oil Company, formerly 50-percent owned by British Petroleum, signed a 42-month agreement with BP that will begin the first of this month.

In addition to accomplishments in oil and gas production and oil refining, Kuwait has made notable progress in electricity production. Electricity has become continuously available for household use in the various parts of Kuwait. Kuwait recently contracted with the Japanese company Mitsubishi and four Turkish companies to build a giant 2,400-megawatt generating plant. (Generating plants in the Gulf average 600 megawatts in capacity.) The costs will be \$1.5 billion. The decision to build this plant is known to have been made before the war. Proceeding with the project despite the 42-percent decrease in population confirms Kuwait's need for a reserve to deal with future increasing demand and perhaps the advanced age of existing plants.

Government buildings have been repaired, including schools, hospitals, and airport buildings, and are now fit to accommodate citizens. In fact, there is now a surplus of schools and hospitals, particularly because the number of foreign children has dropped to 12 percent of the total number of children—it used to be 30 percent. The number of foreigners has dropped by 400,000 (270,000 of them Jordanians or Palestinians).

Government services are no longer faltering, although services are slower than they used to be. The government has tried to compensate for the shortage in employee staff by using large numbers of Kuwaiti women in government offices. However, since Kuwaiti women generally deal with women, not men, this has to some extent reduced the speed with which requests are handled. Those especially complaining of the slowness of government services are businessmen wanting to visit Kuwait or import foreign labor, as well as contractors who are experiencing late payments despite the abundance of small and large contracts to complete construction and repairs.

To stimulate output in government departments, pensions have been raised 25 percent. This has raised the total expense of pensions to 1.9 billion dinars a year (\$3.7 billion). If we add to the cost of pensions the

maximum cost of interest on the debt for servicing hard obligations (\$1.9 billion), pensions and interest on this debt come to \$5.6 billion, from an estimated 1992-93 oil income of \$7.93 billion—i.e., 70.7 percent of expected regular income.

This figure clearly shows the weight of the financial burdens and calls for an analysis of Kuwait's overall financial state in the second article. Although the facts are not fully available, a useful analysis is possible from the available facts, which are relatively accurate.

[3 Sep 92 p 10]

[Text] Kuwait realized its highest rates of income from oil exports in 1980 and 1981, ranging between \$15 billion and \$16 billion a year. In the second half of 1982, oil prices began to decline from the level they had reached in 1979 after the oil workers' strike in Iran and the drop in Iranian exports from 6 million to 2 million barrels a day. Although Saudi Arabia made up for the shortage in the oil supply, prices remained high. The beginning of the Iran-Iraq war in September 1980 contributed to this.

Two years after the beginning of the war, the need of both Iraq and Iran for money increased because of war burdens, losses, and emergency spending. The two countries began to sell at considerable discounts. Kuwait at the time was dealing with the Suq al-Manakh crisis, on the one hand, and urgent Iraqi demands for cash assistance, on the other. Iranian forces had already advanced into southern Iraq, and Kuwait feared that these forces might turn toward Kuwait.

In the period of 1978-81, Kuwait earmarked large sums for investment in the international markets without drawing the attention of other countries. The purchase of the American company Santa Fe for \$2.5 billion took place during this period. Kuwait enjoyed considerable surpluses from oil export revenues, on the one hand, and high returns on cash deposits, on the other. Interest rates ranged from 12 to 18 percent a year on various currencies.

From 1983 to 1990, Kuwait reported an annual deficit in its budget. The reported deficit varied between \$2.5 billion and \$7.5 billion, according to the year. The reality, however, was quite the reverse. Spending figures were being inflated in the budgets by at least 30 percent, while revenue figures did not include interest on investments. The latter began to exceed oil export revenues in 1986. For example, oil revenues in 1988 were about \$7.7 billion, while interest and returns on investments amounted to \$8.8 billion—\$1.1 billion more than the income from oil exports.

During the years of officially reported deficits and real surpluses, Kuwait managed to make large-scale investments. Among the most important of these were the purchase of Libya's share in the holding company of the Fiat Company, the purchase of 6,400 sales outlets for

petroleum derivatives, and shares in a number of refineries. Kuwait invested about \$5 billion in Spain in various activities through a holding company. Kuwait became the partner of the Reichmann family in a number of its investment projects, including a sizeable share in the Canary Wharf project in London. Kuwait's share in BP rose in 1987 to 22 percent. These investments were made during the years between 1983 and 1990 despite the Suq al-Manakh crisis, which broke out in the summer of 1982, causing paper losses of \$93 billion in the largest crisis affecting a financial market since the collapse of the New York market at the end of the 1920's.

The crisis burdened the Kuwaiti Government with \$6.1 billion in expenditures and indemnities in 1983, \$6 billion in 1984, and \$1.7 billion in the first six months of 1985. In other words, over a period of 30 months the Kuwaiti Government defrayed \$13.8 billion in losses caused by the Suq al-Manakh crisis, by which time it considered the effects of the crisis ended.

As we indicated in the first article, burdens from the Suq al-Manakh crisis still exist, amounting to 900 million dinars (\$3 billion) from investment companies that received support for failed loans. Banks have loans that have been in limbo since the beginning of the crisis.

Despite the Suq al-Manakh crisis and reported deficit budgets, Kuwait, shortly before summer 1990, the date of its occupation by Iraqi forces, had succeeded in forming an investment portfolio in Western markets valued at nearly \$100 billion. Of this amount, \$70 billion was in the Fund for Future Generations, whose assets are not supposed to be touched. This fund, to which 10 percent of oil revenues were allocated, was supposed to be used to guarantee a permanent foundation for Kuwaiti generations after the oil age ends. Besides the aforementioned funds, Kuwait had a \$16 billion claim against Iraq, which was supposed to pay for oil in the future. Kuwait's shares in noncommercial Arab and international institutions ranged between \$5 billion and \$6 billion.

In the summer of 1990, the cash and investment assets that Kuwait owned equaled about \$120 billion. Of this sum, about \$100 billion was invested in stocks, bonds, real estate, factories, etc., spread out as Kuwaiti investments in the United States, Japan, Britain, France, Spain, Italy, the Scandinavian countries, Malaysia, and Singapore, in addition to small investments in Lebanon, Egypt, Sudan, and some of the socialist countries.

The war imposed enormous burdens on Kuwait that cannot be evaluated precisely. Bear in mind that the following figures were paralleled in numerous official sources. However, they generally are characterized by seriousness:

- expenses of sharing the costs of the war: \$22 billion;
- costs of the government-in-exile (August 1990 to March 1991): \$10 billion;
- one year's expenditures on Kuwaitis: \$5 billion;

- subventions to Turkey, Egypt, and Syria: \$4 billion;
- budget expenditures from 1 July 1991 to 30 June 1992: \$22 billion (\$18.9 of this being deficit);
- expenditures between March and July 1991: \$4 million [as published];
- total expenditures: \$67 billion.

The approximate figure on Kuwait's reserve remaining from the investment portfolio is about \$35 billion. This figure agrees with the quoted figures, inasmuch as \$67 billion in expenditures to the end of June 1992 subtracted from the \$100 billion assumed to be available previously leaves \$33 billion, to which one adds \$3.12 billion in 1991-92 oil export revenues and any distributions on the portfolio balance. However, it is virtually certain that these distributions have decreased because the portfolio has mostly inflexible investments and some that are producing losses, as we shall make clear later. Were this not the case, Kuwait would not have borrowed \$5.5 billion from 81 banks at the end of last year and would not have been forced to sell 7 percent of its shares in Midland Bank, of which it owned 9.5 percent. The need to sell quickly caused a loss of 60 million, compared with the price that the shares realized from an existing purchase offer that came into effect two weeks after the Kuwaitis sold their shares.

In its 1991-92 budget, the Kuwaiti Government accepted a real deficit exceeding \$18 billion. Estimates of next year's budget indicate that spending will amount to 4 billion dinars (\$14.2 billion), against income that may equal \$8 billion. The predicted deficit comes to \$6 billion. However, this deficit figure was not computed with the costs of a bill approved by the National Assembly that mandates giving 5,000 dinars in aid to each Kuwaiti family. There being some 112,000 families, this spending will amount to \$2 billion, raising the deficit to \$8 billion.

Kuwait begins this fiscal year (1 July 1992 to 30 June 1993) burdened with debts and obligations at a time when some of its investments are undergoing real difficulties, affecting \$7 billion to \$9 billion in investments. It will be useful to clarify the nature of the debts and obligations:

- commercial lending: \$5.5 billion;
- credit facilities for exporting to Kuwait: \$2 billion;
- credit facilities for exporting to Kuwait with Japan, the Netherlands, Britain, and Canada: \$3.5 billion—i.e., total debts and credit facilities of \$11 billion.

Domestic obligations (loans) amount to about 7 billion dinars (\$24 billion), plus \$2 billion in indemnities to families. The total of the loans comes to about \$37 billion.

The importance of this figure comes from its closeness to the value of the investment portfolio.

If this portfolio enjoyed good attributes, one could say that Kuwait's financial situation is acceptable, because Kuwait in effect possesses about 92 billion barrels of oil

reserves. However, the investment portfolio is ossified in more than one area and is definitely losing money in Spain and in investments with the Reichmann brothers, particularly the Canary Wharf project, in which Kuwait invested between 400 million and 600 million (\$1.2 billion). Kuwait will collect nothing from these funds if the business of the Canadian family is liquidated internationally.

The Spanish investments, with a nominal value of \$5 billion, have declined in value because of considerable losses by subsidiary companies, the bankruptcy of a real estate company, and the near bankruptcy of a chemicals company of which Kuwait directly owns 33 percent. It would be difficult for Kuwait to liquidate its investments in Spain even for \$2 billion—i.e., at a loss of \$3 billion. Kuwait may even be forced to increase its investments in Spain to protect its previous investment balance.

In contrast, Kuwait invested about \$4 billion to \$5 billion in a petroleum derivatives network and shares in refineries and tankers. Kuwait makes between \$1 and \$2 in profit on the sale of each barrel of oil that is refined in its plants at home or abroad and marketed at its stations. Therefore, except for a few small unprofitable networks, Kuwait cannot liquidate this investment because, as the sale would bring an additional loss.

The investment in the holding company of the Fiat group also cannot be quickly liquidated for two main reasons. Kuwait replaced Libya in the investment at the request of the United States and Italy and cannot abandon the investment without facing a negative reaction from the two countries. Furthermore, the company's current condition is not favorable, and the Italian stock market is at its lowest level in years. Selling the share would entail losses.

Finally, there are the German investments in Daimler-Benz, Hoechst, and Metall Schaft. These are all bringing in good yields on the basis of stock prices, even after their fall, compared with the purchase prices or on the basis of the improvement in the exchange rate of the mark against the dollar. One can therefore say that Kuwait's investment in Germany today represents the essential base of its portfolio. Without it, Kuwait's assets would dwindle. This investment therefore cannot be liquidated.

Desired Approach

Kuwait must restore the balance of revenues and spending in its 1993-94 budget (1 July 1993 to 30 June 1994). The current situation no longer permits additional loans and unjustified spending. Kuwait certainly cannot continue the policy of expanding and diversifying pressures at the expense of the state and the budget in order to gain political popularity or facilitate the victory of the government team in the elections.

One can list the types of spending that have to be stopped: for example, various kinds of excessive gifts, such as purchases of real estate or the 5,000-dinar grant

to each family and similar practices. There are also the huge expenditures on armaments. Given the size of its population, Kuwait cannot provide an army numerically capable of protecting it against the ambitions of Iraq or another country. It is Kuwait's agreements with the United States and Britain that now ensure Kuwait's tranquillity, if only for a period of 10 years. The Kuwaiti Government must begin to reduce arms expenditures forcefully in next year's budget.

Reducing gifts and arms expenditures will benefit Kuwait from the point of view of good use of resources. However, the desired balance between spending and revenue in the budget for the coming fiscal year and the achievement of surpluses in subsequent years depend in large measure on three developments: oil prices and production costs in Kuwait, the volume of possible oil exports, and the scheduling and amounts of compensation imposed or to be imposed on Iraq for the benefit of Kuwait.

Kuwait, with its population and its policies of reducing the numbers of foreigners and bringing citizens into the majority among the total population, does not need to spend more than \$10 billion a year. One should bear in mind that 60 percent of this sum will be allocated as pensions for public-sector employees and interest payments on state lending to banks and investment companies to overcome hard debts. It should be said that the government ought to try to collect a high proportion of the hard debts, so that the elements of lending do not evaporate and become a burden for 20 years with no compensating benefit.

Kuwait stands to make \$10 billion in income if it succeeds in producing 1.7 million barrels a day in 1993 and if the price is about \$18. Both suppositions are quite reasonable and achievable. An increase in selling price or in quantity, both of which are possible, would lead to the presence of a surplus above the \$10-billion budget that has been proposed as a goal.

Iraqi reparations for physical damages will amount to at least \$30 billion for burned oil, \$1 billion for the cost of extinguishing fires, \$5 billion for damage to refineries, \$5 billion for damage to desalinization and electrical generating plants, and \$2 billion for various other damages to school buildings, hospitals, and the like. Material damage alone comes to \$44 billion, or even \$50 billion.

If we assume that the situation of the government in Iraq will be stable after 1993 and that operations to export Iraqi oil commercially will begin, Iraq could begin to pay Kuwait about \$2 billion to \$3 billion a year. This compensation, which is likely to continue for 20 years, will provide a period of relief for Kuwait. But in any case, even after budget surpluses are realized and a flow of reparations becomes a reality, Kuwait must maintain a moderate approach to spending. Kuwait lives on a dwindling resource, and money invested abroad can dry up very quickly, as happened in the recent past.

LEBANON

Law Deals With Infringements on Public Property 92AE0524B Beirut AL-SAFIR in Arabic 24 Jun 92 p 5

[Article: "Text of Draft Law Dealing With Infringements and Encroachments on Marine Property"]

[Text] The Cabinet has begun debating the urgent bill concerning the principles for dealing with infringements and encroachments on marine public property and fines emanating from such violations.

The bill was drafted when the committee assigned by the former Cabinet to study the settlement of infringements against marine public property proposed the issuance of a decree to deal with these infringements and to extend the fees.

But upon perusing the committee report, the State Consultative Council found that a law, not a decree, was required to deal with the issue.

The draft law calls for introducing fundamental amendments to the former committee's draft, providing for demolishing structures on infringed-upon property that do not meet the requirements of public safety and for making a distinction between those who occupy marine property without a license and in violation of the laws and those who occupy them in accordance with the laws and regulations.

The urgent draft law, derived mainly from the committee report, also calls for doubling the fine proposed by the committee and for raising the sum paid as a first installment of the fine for violations committed by tourist and industrial establishments that occupy more than 2,500 square meters from 25 million pounds to 75 million pounds and for raising the fine for violations involving smaller areas to 15 million pounds.

The urgent draft law further stipulates that infringements and encroachments made prior to 1 January 1992 may be settled, provided that the occupation has not defaced the shoreline or affected the safety of aviation and archaeological areas.

The urgent draft law is coupled with a draft decree that sets the annual licensing fees for the occupation of marine public property.

In the draft decree, the Ministry of Public Works and Transportation has recommended increasing the fees proposed by the former Cabinet's committee and levying a proportionate fee on every occupant of public property, depending on the importance and volume of the occupant's activities and on his annual profits.

The ministry has also proposed tripling the occupation value percentage for all occupants and has raised the price set per a square meter adjacent to marine property by 30 percent. Fees will be calculated on the basis of this price.

Accordingly, the ministry has set the fee for occupation by industrial establishments at 1.5 percent the value of an adjacent square meter of property rather than the .5 percent set in the previous draft. The fees for tourist establishments have been set at 2.5 percent the value of an adjacent meter of property, whereas this rate was previously .75 percent. The rate for the occupation of arable land has been increased from .25 percent to .75 percent of the value of an adjacent square meter of property.

A list appended to the draft decree sets the price of lands adjacent to marine property at 15,000 pounds per square meter within the borders of North Lebanon and up to 900,000 pounds per meter in al-Qalamun area. In Beirut and Mount Lebanon area, the list sets the price at 125,000 pounds per meter for Jubayl District and at 1.35 million pounds for the area extending from the American University beach to the Eden Rock area in al-Ramlah al-Bayda'.

The increase in the price for adjacent property has been set at the recommendation of the State Consultative Council.

These additions to the occupation rates, fees, and fines fall within the framework of the government's plan to seek increased revenues. It is well known in this context that the former committee estimated that nearly 7 million square meters of marine public property have been occupied, including nearly 3 million square meters for ports.

The following is the text of the urgent draft law and the reasons necessitating it:

Article 1 Those occupying any part of marine public property without a legal license or in violation of such a license must evacuate the property and demolish the buildings and installations constructed on it within six months from the date of promulgation of this law and must pay a fine for the previous occupation period, taking into account the provisions of this law.

Article 2 By special decree and on condition that the rights of third parties and the owners of adjacent property are not undermined, a license may be issued for the temporary occupation of marine property that has been occupied in violation of the law and the regulations. This may be done on the following conditions:

- That the actual occupation occurred prior to 1 January 1992.
- That the actual occupation does not deface the coastline or damage the environment or historical or archaeological sites, pose a threat to public safety and health and the safety of civil aviation, or violate the easements imposed by law for aviation or for any other purposes.
- That the occupation shall not be for the purpose of exploiting ports or businesses of a public nature that cannot be licensed except by a law.
- That the occupation is compatible with the nature of

the use for which the area is designated.

- That the occupation has not occurred in an area where the occupation of marine public property has been banned by the regulations in force, if the occupation occurred after the date on which the prohibition was imposed.
- A fine shall be levied in accordance with the stipulations of this law, and violators of this law shall submit to the Ministry of Public Works and Transportation (Public Transportation Department):
 - A statement of the infringement and of the estimated fine that must be paid. The statement shall be submitted with the payment of the [first installment of the fine], provided that it is no less than 75 million Lebanese pounds for tourist and industrial establishments that occupy more than 2,500 square meters of marine public property and 15 million Lebanese pounds for the occupation of smaller areas. This shall be done within a period of one month as of the date this law is published in the Official Gazette.
 - An application for settlement with a detailed statement of the infringement, along with maps showing the occupied areas and their location. This shall be done within a period of no more than two months as of the date this law is published in the Official Gazette, provided that the application is submitted with a pledge to pay the balance of the fine within the grace periods set by this law.

Article 3 For every square meter of marine public property occupied prior to the enactment of this law without a legal license or in violation of such a license, a fine equal to five times the annual fee stipulated in paragraph 2 of this article shall be levied for the occupation period preceding the promulgation of this law.

This rate shall be calculated in accordance with the rules that are in force upon the enactment of this law for determining the annual fees emanating from licensing the temporary occupation of marine property, provided that the rates are determined on the date the fine is levied.

Article 4 In case a building, regardless of whether it is an underground, surface, or aboveground building or it is open or closed and regardless of the purpose for which it is used, exists on marine public property without a legal permit or in violation of such a permit, the fine for every square meter of the building, including the foundation and the balconies, shall be set at three times the fine stipulated in Article 3.

Article 5 The fine due shall be paid within a period of two months as of the date of issuance of the special licensing decree that imposes this fine, provided that the sum paid in accordance with the provisions of the Article 2 is deducted from this fine.

Article 6 If the violator fails to apply for the license stipulated in the Article 2 within one month after this

law is promulgated and if he fails to pay the fine or is tardy in making the demolition during the grace periods stipulated by this law, 3 percent of the value of the fine he owes shall be added to this fine for every month of delay until the infringement is eliminated by the violator or by the administration at his expense and on his responsibility. The fine and the cost of demolition shall be recorded as a special debt and an easement for access to carry out the demolition work shall be acquired from the violator's adjacent private property. Moreover, the violator shall be prosecuted to the full extent of the law.

Article 7 Until all violations referred to in paragraphs 2, 3, 4, and five of Article 2 of this law are eliminated, an additional fine equaling three times the fine set in Articles 3 and 4 shall be levied on violators. In this case, the other procedures and provisions stipulated in this law shall be applied.

Article 8 All provisions and rules violating the provisions of this law or incompatible with its contents shall be abolished.

Article 9 This law shall be enacted immediately upon its publication in the Official Gazette.

Necessitating Reasons

The part concerning the reasons that necessitated this law states: "In view of the numerous encroachments upon marine public property because of the security circumstances experienced by the country over various periods;

"And because application of the laws and regulations that are currently in force and that call for demolishing these infringements on marine public property and levying small fines for them are no longer compatible with the current conditions;

"The government sees that these infringements should be dealt with in a manner that secures a significant and quick revenue for the treasury and that tackles all the abnormal conditions emanating from these infringements while taking into account restrictions and controls pertaining to the public interest. Therefore, the government has drafted an urgent bill containing the following fundamental principles:

A. Restrict the benefit of settlement to property actually occupied prior to 1 January 1992, property occupied for purposes compatible with the uses for which an area is designated, and property occupied in areas where the occupation of marine public property is not prohibited.

B. Prohibit settlement for property occupation that defaces the coastline, damages the environment, historical, and archaeological sites, poses a threat to public health and safety, or violates the easements established by law.

C. Levy a fine on violators, including a first installment that must be paid within one month of the date this law is published in the Official Gazette, provided that the balance is paid within two months of the date the special licensing decree levying the fine is issued.

D. Levy a fine for the previous period of unlicensed occupation. This fee has been set at five times the annual fee levied per square meter at the date on which the licensing decree is issued.

E. Increase the fines three times if the infringement includes a building constructed on marine public properties.

F. Double the fines again in cases when licensing is impossible in accordance with the principles outlined in the paragraphs A and B until the date that the infringements are eliminated.

"Thus, the Cabinet submits to the honorable Chamber of Deputies the attached draft law, hoping that it will be passed."

Rate Determination

The decree setting the annual rates for licensing the temporary occupation of marine public properties states the following:

Article 1 The text of Article 1 of decree No. 12841, issued on 25 May 1963, has been abolished and replaced by the following:

The following bases shall be adopted to determine the annual fees emanating from licensing the temporary occupation of marine public properties:

Type of Temporary Occupation	Occupied Area	Price as Estimated by List Attached to This Decree	Percentage
Industrial establishments (with no buildings constructed on marine public property)	square meter	Lebanese pounds per square meter	1.5
Tourist establishments and complexes (with no buildings constructed on marine public property)	square meter	Lebanese pounds per square meter	2.5
Seasonal swimming beaches (with no buildings constructed on marine public property)	square meter	Lebanese pounds per square meter	1.5
Private use	square meter	Lebanese pounds per square meter	4
Agricultural use	square meter	Lebanese pounds per square meter	0.50

Water surface areas shall not be subject to any of the fees mention above. However, a fee of .5 percent of the estimated value of the occupied area must be paid if the area is used exclusively by the occupant and if others are prohibited from using it.

Use shall be considered exclusive if a string of floats are erected around a swimming beach or if the areas are used to move between shore and tourist boats.

Article 2 The fee outlined in Article 1 shall be increased three times for every square meter on which a structure is built on marine public property. The area of the various floors and sections, including underground floors, the foundation, and balconies, shall be calculated as part of the area of the structure.

Article 3 The fee for temporary occupation by individuals, establishments, or companies for the purpose of

extending pipelines and laying down floats to which to tie boats within marine public property or within the territorial waters referred to in Article 5 of decree No. 12841, dated 25 May 1963, shall be determined in accordance with the rates set in that decree.

A linear meter shall be counted as 20 square meters for the purpose of levying the fee. Areas set aside for tying boats shall be multiplied by three. In all cases and areas, the annual fee may not fall below 30 million Lebanese pounds.

Article 4 An additional proportionate fee shall be levied on every occupant exploiting marine public property. This fee shall amount to 15 percent the gross profits made as a result of this use.

Article 5 This decree shall be published and transmitted whenever the need arises.

List Attached to Decree: Price per Square Meter Adopted To Determine the Annual Fee Emanating From the Temporary Occupation of Marine Public Property

Al-Shamal Governorate

Area	Price per square meter (in thousands of Lebanese pounds)
From Lebanon's northern border to the northern border of al-Munyah development area	15
From the northern border of al-Munyah development area to the northern border of Tripoli Port	35
From the northern border of Tripoli Port to the southern border of al-Qalamun development area	900
From the southern border of al-Qalamun development area to the southern border of the Anfah development area	300
From the southern border of the Anfah development area to the southern border of al-Hirri industrial zone	200
From the southern border of al-Hirri industrial zone to the southern border of al-Hirri development area	400
From the southern border of al-Hirri development area to the northern border of al-Batrun development area	200
From the northern border of al-Batrun development area to the beginning of Jubayl District	300

Mount Lebanon Governorate and City of Beirut

Area	Price per square meter
From the beginning of Jubayl District to the northern border of 'Amshit development area	125
From the northern border of 'Amshit development area to the northern border of Jubayl development area	200
From the northern border of Jubayl development area to the northern border of Halat development area	300
From the northern border of Halat development area to the mouth of the Ibrahim River	225
From the mouth of the Ibrahim River to the northern border of al-Safra' development area	350
From the northern border of al-Safra' development area to the mouth of al-Kalb River	600
From the mouth of al-Kalb River to the mouth of Bayrut River	500
From the mouth of Bayrut River to the southern end of Beirut Port at al-Bahri Restaurant	150

List Attached to Decree: Price per Square Meter Adopted To Determine the Annual Fee Emanating From the Temporary Occupation of Marine Public Property (Continued)

Al-Shamal Governorate	
From the southern end of Beirut Port to the southern end of the American University beach	1,150
From the southern end of the American University beach to the southern end of the Abila Hotel Estate in al-Janah area	1,350
From the southern end of the Abila Hotel Estate in al-Janah to the Khaldah Autostrad access in al-Awza'i area (nearly opposite the northern end of the airport's western runway)	400
From the Khaldah Autostrad access in al-Awza'i to the southern end of Muthallath Khaldah (at the intersection of Old Sidon Road with the Autostrad, under al-Hadid Bridge)	850
From the southern end of Muthallath Khaldah to Ra's al-Sa'diyat	600
From Ra's al-Sa'diyat to Ra's al-Nabi Yunis	400
From Ra's al-Nabi Yunis to the mouth of al-Awwali River	300
Southern Governorate	
Area	Price per square meter
From the mouth of al-Awwali River to Sidon's northern entrance (northern end of Sidon's Eastern Boulevard)	175
From Sidon's northern entrance to the mouth of Sayniq River	375
From the mouth of Sayniq River to the mouth of al-Zahrani River	175
From the mouth of al-Zahrani River to the mouth of al-Qasimiyah River	45
From the mouth of al-Qasimiyah River to the southern border of al-'Abbasiyah development area	60
From the southern border of al-'Abbasiyah development area to Ra's al-'Ayn Spring	165
From Ra's al-'Ayn Spring to al-Naqrurah	35

LIBYA

Background on Qadhdhafi's Public Relations Consultant

93AF0003A Paris *AFRIQUE MAGAZINE* in French
Sep 92 pp 40-42

[Article by Francois Soudan: "Claude Marti: The Man Who Wants To Save Qadhdhafi"]

[Text] *He polished Mitterrand's teeth, transformed Rocard into a potential candidate for president, got Biya to leave his palace, advised Conte and Gemayel.... The French-Swiss "great communicator" is now grappling with an explosive client: the Libyan colonel himself!*

"When I told him I was going to work with Qadhdhafi, Michel Rocard replied, 'Watch out where you set foot.'" In his office on Avenue Hoche in Paris, Claude Marti—the most amazing of the public relations consultants in the capital—smiled somewhat artificially as he said this. This 65-year-old French-Swiss—who has been established in the French capital for three decades—collects PR [public relations] contracts as others collect medals. It was Marti who convinced Francois Mitterrand to have his eyeteeth polished in order to increase his chances of becoming president of the Republic. It was also Marti, who over the

years, worked hard to transform Michel Rocard from a Gauchist technocrat into a potential candidate for president. Above all, it was Marti who from Yaounde to Conakry and from Libreville to Tripoli toured a continent where there is no shortage of images to be restored. Smiling and cordial, Claude Marti has an entirely personal concept of his profession, which he exercises in good taste, being neither overly discreet nor overly taciturn. "I am a sponge," he says. "I have no preconceived ideas, but I have imagination." He also has an acute sense of public relations. You need only cast your eyes upon a few of the framed photographs that adorn the room where he receives his visitors: Marti with Mitterrand, Marti with Rocard, Marti with Beregovoy, with Mermaz, with Jospin.... And, under glass, a copy of a newspaper announcement: "Qadhdhafi hires a Swiss to conduct his public relations!"

Is Claude Marti rich? He certainly has a villa in Corsica with a swimming pool, a handsome automobile, and a PR firm that employs eight persons including his most recent wife, a 30-year-old Tunisian from Gabes, who is beautiful, black, and a former student at the Sorbonne. But he will tell anyone who will listen that money is not a motivation for him—you are free to believe it or not—and that he owes some of his greatest successes solely to his talent.

A member of a good Protestant family in Lausanne, Claude Marti began his career in the 1950's as a journalist for the Swiss news agency [APS]. He was APS

correspondent in Paris and in that capacity filed several reports from Africa, notably from the Belgian Congo. It was during a short stay in Dakar, when this young man in a hurry obtained his first PR contract. So it was good-bye to journalism, long live the PR campaigns for Shell and Evian throughout French-speaking Africa. They were a success. Back in Paris, Marti—who defined himself then as a “fanatic Gaullist of an anticolonial tendency”—quickly allied himself with a “patron of the Left”: Antoine Riboud, whose protegee he became and who subsequently became his friend and adviser. Riboud helped him and introduced him around. In 1967 Marti met Michel Rocard, a fellow Protestant. Marti has always had a feel for the channels of power, and the two men worked together over a period of 15 years. He also met Francois Mitterrand and most of the leaders of the Socialist Party. “In politics,” he said, “I do not engage in publicity; I am learning public relations.” Even though Claude Marti says these contacts were not significant—because the president meets with a lot of people—he nonetheless does not spare his interlocutor of the moment an account of his meetings with Mitterrand. “I have had 22 private meetings with him during these recent years,” he said. “We talk about everything, ranging from public relations to Arab policy.” One can easily imagine that this familiarity might impress potential clients, although Marti refrains from exploiting this privilege as a business asset.

For example: The mutual friend who one day in 1982 put Claude Marti in contact with President Omar Bongo of Gabon “had nothing to do with Elysee Palace [presidential residence].” That was all Marti had to say. For one week our man crisscrossed Gabon by helicopter and plane, accompanied by two cabinet ministers. It was his grand return to the continent since the 1960’s. Even though he said he could not stand “driving through the streets in a Cadillac when the people are hungry,” nevertheless on his return, Marti organized a number of discreet French-Gabonese conferences (at that time, relations between Paris and Libreville were not very good). Two years later, in the aftermath of the bloody attempted putsch [preceding word in German] of April 1984, another mysterious intermediary put him in contact with President Paul Biya of Cameroon. Traumatized by the events, Biya was at the moment entrenched in his Etoudi Palace and was even less communicative than usual. “I spent four months persuading him to make an official visit to Douala,” Marti says. Marti revised the acronym of the single party; worked on the new statutes; organized the 1985 Bamenda congress; and set up the presidential PR unit. “Biya said to me one day, ‘you have saved Cameroon,’” Marti recalls. He added that his fees came to “a total of 500,000 FF [French francs] for my three years in Cameroon.”

Claude Marti left Yaounde in 1987—reluctantly, but Yaounde preferred another “PR person,” who happened to be Adefi and his “godfather,” Jean-Christophe Mitterrand. Marti did not leave Africa, however, because in August 1986 he already had one foot in Guinea. “A

mutual friend”—once again—put him in contact with Colonel Lansana Conte. For two years Marti lavished his advice—the advice “of an obstetrician and informer”—on the Guinean president. He took up permanent residence in Conakry together with one of his assistants, Colonel Claude Vatrican, a native of Monaco. Vatrican very soon began to regard himself as Conte’s “white marabout.” People began to talk. “I had to send him back to France,” Marti said with a sigh.

The financial result of this venture, Marti said, was “negative; the office of the president still owes me a lot of money.”

From Guinea Claude Marti went directly to...Lebanon. Together with Amine Gemayel and subsequently with Elias Hraoui, Marti organized PR seminars on the subject of civil war. There were 22 seminar sessions in all over a period of several years, for which a fee of 10,000 FF per day was charged. Marti visited Beirut frequently and arranged for trips to France by his “clients,” which did not prevent him from continuing to canvass (a word he detests) Africa. In this connection, he said just recently that he had to a great extent inspired the PR strategy of the successful candidate for president of Mali, Alpha Oumar Konare. “I worked with his female campaign manager here in Paris,” he explained, “and I did it gratis.” Of course, if Konare signs a contract with Marti Communication tomorrow, there will undoubtedly be a different arrangement. Another contact was with President Nicéphore Soglo of Benin, with whose son he held a lengthy meeting several weeks ago. Last, had it not been for the assassination of Mohamed Boudiaf on 29 June, Claude Marti would undoubtedly have turned up in Algiers. Shortly before the assassination, in fact, Boudiaf’s private secretary Rachid Krim paid Marti a visit in the latter’s Paris office. “We talked for three hours,” Marti said. The objective was to give Mohamed Boudiaf international stature.

But it is with Qadhdhafi that Marti—who insists that he has “never been impressed with anyone”—is playing one of the biggest roles of his career. Once again, the contact was surrounded by mystery. It was during a dinner with the president of the Swiss Confederation, Rene Felber, that Claude Marti incidentally made the acquaintance of a group of Libyan and Greek businessmen who reside in Switzerland. The businessmen made an appointment for Marti to meet with the new Libyan chief of security services, Colonel Youssef Debri. The meeting took place two days later and went well. “I immediately addressed a note to Qadhdhafi,” Marti said, “and it can be summarized as saying: ‘Above all, do not surrender anyone.’” In late December Marti was in Tripoli, where he spent Christmas together with his Tunisian wife, who served as interpreter at his meetings.

In Tripoli the competition was fierce among the “image makers” who had been attracted there by a promising market where everything remains to be built—at least that is what can be said. There were French, Italians, and even Americans representing the Knowlton Company.

With his expertise, Marti very quickly carried the day. To his two privileged contacts, Youssef Debri and Abdallah Senoussi—"Qadhdhafi's left-hand and right-hand man," respectively—Marti said: "Either I will be in complete charge of the operation, or I shall in fact leave." He was chosen. From January to July 1992, Claude Marti went to Tripoli five times. Strangely enough, he did not see Qadhdhafi. "I have no need to see him at this time," he said, "and I therefore refused to endure the endless waiting that others put up with." For the moment, Marti says he is dealing exclusively with the files on the DC-10 of the UTA [Air Transport Union Company] and the Lockerbie case in particular, because he believes that Pierre Pean's investigative report on the former case—the Tenere incident—definitively establishes the colonel's innocence. Seizing every opportunity, he has purchased 200 copies of the Pean book and mailed them to 200 carefully selected "decisionmakers" together with an explanation. Some—including Michel Rochard—have confided to Marti that they are troubled by the book's contents. Claude Marti is obviously convinced of Libya's noninvolvement in the explosion of the Pan Am Boeing aircraft. "If I were not convinced," he says, "I would never have agreed to concern myself with the file on the case." What is Marti receiving for his services? Very little, to hear him tell it: an engraved platter, a carpet, and a cane presented by the Libyan People's Office in Geneva, his expenses for his trips and stays in Tripoli, and \$50,000 (less than 300,000 FF) in honorariums.

"The expenses of my little company come to \$50,000 a month," Marti says. "I pay 60,000 francs rent per month for my offices, and my net salary is 29,000 francs," he adds. But here too, the modest beginning presages a brilliant future. When Qadhdhafi is freed from these sulfurous terrorism cases—and Marti has no doubt that he will be—he can deal seriously with his public image. And there, Marti will play to win. He may perhaps also realize one of his dreams: to produce a film about Sophocles' *Antigone* among the ruins of Leptis Magna in Libya. But do not ask him to show you the script. "I have a rule," he says. "I have neither files nor notes. In that way, I do not run the risk of having them stolen." A clever fellow, this Claude Marti...

MOROCCO

Union Leader Discusses Political Alliances

92AF1249A London AL-SHARQ AL-AWSAT in Arabic
25 Aug 92 p 8

[Interview with Abderrazak Afilal by Abu Bakr al-Ansari in Rabat: "Two Unions' Unity Cleared Way for Political Bloc Alliance"; date not given]

[Text] Abderrazak Afilal, secretary general of the Federation of Workers in Morocco, said the alliance of the General Federation of Workers and the Confederation was the result of the congruence of the two sides' point of view. It was not necessarily the result of the alliance of

the Istiqlal Party and the Socialist Union of Popular Forces. He asserted that the National Bloc thus still denied what was said about the dissolution of the National Bloc's charter after the elections and considered this unity the natural result of the party leaders' perception of its necessity.

On the trial of Noubir Amaoui, the secretary general of the Democratic Confederation of Labor, Afilal said that what Amaoui said was the truth. Afilal rejected the charge that the syndicate of the General Federation of Workers and the Confederation voice one slogan and apply its opposite, but at the same time he did not rule out the possibility that there were syndicate members who try to get rich at the expense of the working class.

He asserted that the young would vote for their syndicate and the Democratic Bloc, because, as he said, they are seeking the changes that it seeks. The text of the interview follows.

[Al-Ansari] What is new with you for the coming elections? Will you take part in them?

[Afilal] There is nothing new in our program. We are still in the early stages of preparing for the elections. The national parties are calling for the holding of free and fair elections.

We note that the government has used the registration process in its own interest, doing what it can to ensure its initiative and perpetuate this situation, and to keep the [parliamentary] majority as the majority and the opposition in opposition. This absolutely cannot be accepted. There are many tricks.

As to our preparations, we are always prepared and have been for a long time, from two years ago to the end of the legal period for the coming elections. The preparation of the lists of candidates was completed, as well as the recruitment and mobilization of a popular base.

As to the second part of the question, whether or not we will take part, I will not be able to answer it until that last minute. We cannot confirm or deny our participation according to the circumstances now. We think that circumstances are conducive to our participating. If it were otherwise we would abstain from participating. We do not want to cause the voters and candidates to despair. We are still at the stage of weighing positives and negatives.

It is noted that you are assessing the alliance with the Labor Confederation. What are the limits of this pact and the intended results, as far as the syndicates are concerned? Like the national parties, they are suffering, and we are trying via this alliance to unify the syndicates' positions, to work for the unity of syndicate action, and get the working class what it aspires to. This unity has come to save the workers from the problems they suffer from.

[Al-Ansari] So the unity was not the result of the alliance between the Istiqlal Party and the Socialist Union of Popular Forces?

[Afilal] As I mentioned, syndicate members suffer from the same problems that politicians do. We must shuffle the cards. Syndicate unity took place without reference to the political unity of parties, for a rise in the living standard of the working class. It was not a facade of the parties to exploit the working class. Every syndicate has political inclinations in line with party goals. It is remarkable that political problems dominate labor problems. It is not possible to change workers' conditions without political change; there is equality and social justice containing only politics, and a way of pursuing political action if we are part of the politics. We are unable to act in isolation from politics, and the working class must look for a political role. In the end, you can achieve a result in which it was syndicate unity that led to political unity.

[Al-Ansari] But some parties describe the two syndicates as being facades for the Socialist Union and the Istiqlal Party to exploit the problems of the working class and profit from them electorally.

[Afilal] That is a very misconceived notion. Syndicate action is independent of party action. It is just that each syndicate has a party we agree with, in terms of views and inclinations. There is no interference from politicians in syndicate action. We must ask this question: Are the General Union of Workers and the Confederation of Labor two party syndicates? Of course, the answer is no. We are a federation and a syndicate for all workers. The matter is simply that our inclinations were in keeping with the Istiqlal Party, and our union will be permanent.

[Al-Ansari] Is it possible for the union to withstand the two syndicates even if the charter of the Democratic Bloc is dissolved?

[Afilal] The Democratic Bloc will survive, and its charter will not be dissolved, as was said, to realize some of the goals that were behind the alliance. We regard the Democratic Bloc as a political alternative to what exists now. There is a majority that failed to achieve the least thing. This majority has become the enemy, and the rule is parliament, the government, the municipalities, the legislator, it is everything, until the country reached the point it is at now. The Bloc is the only one capable of coming up with a suitable program for getting the country out of the miserable state the majority has got it into.

[Al-Ansari] The question was, will the alliance hold if the Bloc's charter is dissolved?

[Afilal] No. The syndicates' unity is permanent, and the Bloc will not dissolve. The unity of the syndicates is absolutely the result of what the working class was suffering from. What are elections but an honorable rival whose purpose is to offer something better for the country?

[Al-Ansari] Aren't the contacts between the syndicates for the sake of the unity of union action, particularly because the latter has a strong relationship with the National Federation of Popular Forces, which joined the Democratic Bloc?

[Afilal] From the beginning—that is, from the beginning of our alliance with the Confederation—we have looked to the unity of syndicate work, and the Moroccan Federation of Labor is an important part of unifying syndicate action.

[Al-Ansari] It is said that you are a moderate, compared with your ally Noubir Amaoui, whom some describe as an extremist. What is your view of the Amaoui case, apart from the current alliance between you? Do you agree with what Amaoui was quoted as saying in the Spanish paper EL PAIS?

[Afilal] That is untrue—it is not possible to say Amaoui is an extremist and Afilal is a moderate. We both work and struggle in the defense of the rights of the working class, but each in the way he sees fit. As to my opinion of what Amaoui said, he spoke only the truth. He said that there are some ministers who are deviating—they are using their influence to get rich at the expense of the working class. We say this all the time, even under the dome of parliament, in several encounters on many occasions and in labor meetings. During the trial, as you know, they did not even agree on the expression it is said Amaoui used or cursed the government with.

[Al-Ansari] But there are accusations against your syndicate and the Confederation's from several quarters—that you say one thing and do the opposite.

[Afilal] I claim a salary, but not a luxurious one. I do not have money, and Amaoui does not have buildings and land, as people say.

[Al-Ansari] They say he has a bank account in France.

[Afilal] It is a lie. I have known Amaoui for years. He was my student in the 1950's. I knew him at the Teachers Institute, and he got a salary from his job as a teaching inspector. Perhaps in some syndicate circles, there are those who got rich at the expense of the working class, and we demand that whoever has misused power be called to account. It is untrue that Amaoui has money, as some people say.

[Al-Ansari] So you are for changing the old faces in parliament.

[Afilal] No, not the faces, but the mentality. We want new ideas. I want the present ideas to change. I want a more mature parliament than we have now. We want for the way things are done to change, not for faces to change, because it is no good changing faces if the ideas stay the same. We want government to come from the parliament and be monitored by it, but unfortunately the parliament's role now is limited to reviewing decisions.

[Al-Ansari] What is the future for the young [members] of your syndicate? Do you think they will vote for your syndicate in the coming elections?

[Afilal] Speaking of the young means speaking of Morocco: The young are the majority of those registered to vote, and in the nature of things, they will vote for us. The young share our desire for change; the young seek an end to unemployment; they demand an education policy and [its] appropriate formation, and opening the way to work. The majority has failed to find solutions to all of these problems, and the young will stand with those who have a program to improve their conditions.

Thaw in Regime-Opposition Relations Analyzed

92AF1190A London AL-SHARQ AL-AWSAT in Arabic
9 Aug 92 p 14

[Article by Munsif al-Salimi: "Consensual Trend in Morocco To Form Unified View Concerning New Constitution"; first paragraph is AL-SHARQ AL-AWSAT introduction]

[Text] (Munsif al-Salimi writes from Rabat about the emergence of signs of a thaw between the opposition and government in Morocco, as a result of a climate of dialogue and discussion that has developed among the various parties represented on the "Election Oversight Committee." At other times, the opposition has emphasized the need to define and strengthen the committee's jurisdictions in all ways, so that it can monitor the course of elections. Al-Salimi says that there is a collective trend in Morocco to form a unified view vis-a-vis a new constitution.)

During the final meeting of its current session, which was held last week, something new emerged in the Moroccan Parliament. It is accustomed to the rhythm of political life, as marked by the ebb and flow between government and opposition. This matter involves the presence of opposition parties in the parliamentary session, which concluded the longest term (1984-92) in the history of parliamentary experience in Morocco, after those parties had announced their determination to withdraw. The pretext for staying was the draft legislation submitted for approval. These bills, which included regulations for the referendum, Parliament, governorates and provinces, and professional boards, are considered tantamount to a continuation of the new Election Law. Approval of that law was accompanied, in turn, by withdrawal on the part of the opposition deputies, and their resorting to the arbitration of the Moroccan monarch, King Hassan II.

The statement of Driss Basri, the Moroccan minister of interior and information, during which he revealed the content of an agreement that was concluded one day before the parliamentary session, among various political entities represented on the Election Oversight Committee, concerning the latter's jurisdictions, shed some light and answered a part of the questions that observers have raised about certain new developments. These developments have caused the opposition to change

their position, which had appeared to be "final and in harmony with previous positions," as noted by the opposition press.

The presence of the opposition, therefore, makes it clear that there has been a thaw in their relations with the government, and the parliamentary majority that supports it, as a result of the climate of dialogue and discussion that has developed among the various parties represented on the Election Oversight Committee. Indeed, at other times, the opposition has insisted that the committee's powers be defined and strengthened in all ways, so that it could supervise the course of elections and guarantee their honesty and soundness. The moment of the thaw was reinforced by the interior minister's praise for the role of the political parties with regard to the success achieved in the process to register the electoral rolls, and his assertion that applying the requirements of the Election Law would be "satisfactory to all parties."

On the other hand, there is the "positive" message and interactive dynamics with the governmental position by Mohammed Khelifa and Fetullah Oulalou, the leaders of the Istiqlal and Socialist Union opposition parties, respectively.

The occurrence of a consensus and thaw among the political forces would naturally be made clear in the context of a specific agreement or a definite point of intersection. However, the timing in which it came had not occurred two days ago in the Moroccan Parliament. This invited observers to have hopes for its dimensions.

The timing, in which the thaw between the opposition and the government came, coincided with a precise stage, which preceded the date to hold the referendum on amending the current constitution (1972). Basri announced that this would be the beginning of September 1992, followed by local and parliamentary elections in a second stage. It was assumed, objectively, that this would raise the degree of heat in competition and quarreling among the forces composing the political scene, concerning their alternatives, theses, and concepts of constitutional amendments and the political program for the next Parliament.

If there is agreement among these forces concerning the jurisdictions of the Election Oversight Committee, and a number of issues pertaining to the circumstances of holding elections, how to finance them, and distribute media time equably, it is inadequate to explain the thaw that has suddenly occurred, because agreement on terms of honest and sound conduct of elections does not, in fact, stop the effectiveness and heat of debate and contention among the factions. A tendency to form a consensus opinion concerning the new constitution, which King Hasan II described as being in compliance with Morocco's aspirations for the 21st century, appears close to being adopted. This belief is strengthened by the speech of Ahmad 'Usman, the speaker of Parliament, concerning his hope that the new constitution would

include a widening of Parliament's authority, enabling it to put pressure on the government to be a pulpit for dialogue between the two authorities. This is the biggest issue stressed by the opposition's message regarding the anticipated constitutional amendment. This tendency to analyze the dimensions of the thaw among political forces in Morocco makes likely the possibility of an agreement that the new governmental composition will be technocratic, with its mission being to supervise the elections, or an interim government. It is likely, according to informed sources, to include the opposition, with its mission being, in addition to the matter of elections, confronting new developments that might occur during the next few months.

This matter particularly depends on the realities that might be generated by the referendum on the Sahara, which continues to be a definite, basic element in the mechanisms of the political procession in Morocco.

In this context, observers think that the conversations of Ya'qub Zadeh Khan with Moroccan officials last week are of considerable importance. He is the UN secretary general's representative tasked with the Saharan problem. Apart from these conversations coming at the end of a three month respite, set by Dr. Butrus-Ghali, either to hold the referendum or search for a political mechanism to settle the dispute, their new status was no surprise, particularly in view of recent developments in Algeria, most importantly, the assassination of the late president Mohammed Boudiaf, whom some circles thought would play a dynamic role in finding a settlement to that problem.

More important than that, the visit to Morocco of the UN envoy comes within the climate of preparing for the referendum on the constitution and local and parliamentary elections, which will be conducted in all of Morocco's territory. Despite the recent statement of the Moroccan minister of interior and information, in which he stressed that the "elections are a purely domestic matter," there is no conflict between them and the Saharan referendum, which concerns the United Nations and certain parties. There might be apprehension within certain international circles, which see in Moroccan behavior nothing that would create internal political and constitutional changes and reforms, which would derail legitimacy. However, there is the "hope" that this will occur after completion of the Saharan referendum, in harmony with the logic upon which that referendum is based.

However, Moroccans, who express their total confidence in the results of the referendum on the Sahara when it is completed, and who call it the "sure referendum," were described by a Moroccan politician as being limited in patience.

Moroccans are dominated by feelings that they have given enough time and opportunity to the matter of the Saharan referendum. The obstacles that prevented it were due to the intransigence of some parties to the

discussions, which were conducted in Geneva, concerning the circumstances of organizing the referendum, and the standards used as a basis for the Saharan population's participation. These, in addition to new lists of old lists, were based on Spanish statistics of 1975.

Moreover, the delay in actions to prepare for holding the referendum, whose implementation will be overseen by the UN administration, also caused postponing the date of the referendum several times. The last date was to have been at the beginning of this year.

Moroccans believe that they made great sacrifices, when they held a referendum to decide extending the final term of the current Parliament, supposed to end in 1990. At that time, it was considered sufficient time for the purpose of holding the referendum on the Sahara.

Moreover, the present Moroccan Government received considerable pressure from the opposition, which considered that extending the term of the current Parliament would prevent them from having a new election, which might give them the opportunity to improve their position vis-a-vis negotiating for power. By contrast, the present majority has been fortunate without any effort.

Aside from that, important developments have occurred on the international level, and in the sociocultural structure of Moroccan society. The creation of political and constitutional reforms have been concluded, which are being complied with. This could be assessed through the results of registering the election rolls, which recorded a new high in numbers of voters totaling 12 million, an increase of 40 percent over the last election (1984), when the figure was only 7.2 million Moroccans. Moreover, the results indicate that 60 percent of those registered are not over 40 years old, i.e., the voter bloc is a young one, which carries new aspirations and hopes.

Moroccan officials, during the recent past, have attempted to respond to this by creating a number of institutions, such as the Supreme Council of Youth and Future, and the Advisory Council for Human Rights, which are fulfilling their role today. However, they need to be within the context of comprehensive reform, starting with amending the constitution and establishing new parliamentary and governmental institutions.

Therefore, it is clear that the absence of the parliamentary institution, which is considered "the pillar of democracy and the engine of political life," in 'Usman's words, is a matter that needs correcting. Accordingly, Moroccan officials are currently working to complete political debts that cannot be put off. The first of these is amending the constitution, in which all Moroccans will participate through a referendum, including the population of the Sahara, as more than one responsible source has asserted.

However, that is in a rhythm that cannot ignore the process of the Saharan referendum which, because of its dynamics, could be an influence on the mechanics of the political mechanism in Rabat. If the referendum on the

constitution is on the point of being completed, then the local and especially the parliamentary elections, will undoubtedly be affected by the interference of the Saharan referendum. This assumes the existence of a political coalition among various forces. It also might require convening an emergency session of the present Parliament, as a prominent parliamentary source has alluded to.

Therefore, a senior Moroccan official has told AL-SHARQ AL-AWSAT that we are working on the principle that: "I am working for the referendum as if it will be tomorrow, and I am working for it as if it will be never."

Country's 4 Major Banks Dominate Finance

92AF1190B London AL-SHARQ AL-AWSAT in Arabic
9 Aug 92 p 9

[Article: "Four Largest Moroccan Banks Monopolize 70 Percent of Deposits, 60 Percent of Loans"]

[Text] During the past year, the banking sector in Morocco has seen a relative improvement in the share of deposits of mid-size and small banks, at the expense of the two largest banks (People's Bank and the Moroccan Foreign Trade Bank). This has coincided with a rise in intensified competition, as a result of lending restrictions being lifted in January 1991.

The 1991 statistics of the Moroccan Central Bank reveal a reduction in the share of the People's Bank and the Moroccan Foreign Trade Bank from 50.74 percent of total deposits for 1990, to 49.12 percent of 1991 deposits. Meanwhile, the share of the five medium-size banks rose from 39.4 percent to 40.01 percent, and the share of the eight smallest banks rose from 9.85 percent to 10.71 percent.

Despite the relative improvement in performance of mid-size and small banks, the four largest banks (People's, Moroccan, Moroccan Trade, and al-Wafa') continued to monopolize the biggest percentage (70.54) of total banking deposits in 1991.

Concerning loans, the shares of the two largest banks and the eight smallest banks dropped in favor of the medium-size banks. The Central Bank's statistics show that the share of the People's Bank and the Moroccan Foreign Trade Bank dropped from 36.21 percent of total loans in 1990 to 33.43 percent in 1991. The share of the smaller banks also dropped from 15.29 percent to 13.73 percent, while the medium banks' share of total loans rose from 48.5 percent in 1990 to 53.14 percent in 1991. Among the five mid-sized banks, the Moroccan Trade Bank had the best performance in terms of increased lending. Its loans rose 54 percent, with its share of total loans reaching 16.33 percent in 1991, compared with 14 percent in 1990. The al-Wafa' Bank's share also rose from 9.93 percent to 10.43 percent.

As was the case with respect to deposits, the four largest banks monopolized 60.89 percent of total loans, with a slight increase over 1990, which totaled 60.14 percent.

It should be recalled that the policy of fiscal relaxation, which Morocco has applied, has helped to strengthen competition in the local market and overcome the traits of monopoly, lock-out, and specialization that have marked the practices of fiscal institutions in the past.

Specialized financial institutions, such as real estate loans, tourist, and the National Bank for Economic Development, have been permitted to compete with commercial banks in areas of their activities. Specialized financial organizations have developed a network of agencies to collect deposits and amass savings. In addition, aside from the National Fund for Farm Loans, they carry out all banking transactions abroad.

Commercial banks have been permitted to go beyond the traditional fields of activity, restricted to short-term financing, and have begun to be active in medium and long-term financing. Under the pressure of competition, the banks have striven to introduce and develop a number of new financial instruments and services.

Fiscal reforms have included introducing and developing new financing methods, used directly between trade and industrial organizations and individuals, within the framework of a free market for convertible bonds and investment securities.

The cornerstone of this market was first established in Morocco in 1986, when the Central Bank permitted large companies to issue convertible bonds, provided that their value be not less than 1 million Moroccan dirhams, for periods ranging between 10 days and nine months. The issuance of these bonds, which were guaranteed by banks, is subject to prior approval of the Moroccan Central Bank.

Treasury notes have met with considerable success, inasmuch as the value of circulating notes increased from 840 million dirhams in 1986 to 6.139 billion dirhams in 1990. A relative drop-off was experienced in 1991, when the total was 5.235 billion dirhams. This reduction becomes clear by comparing the value of circulating notes with the amount of bank loans. The ratio of treasury notes to loans dropped from 15 percent in 1990 to 9.48 percent in 1991. The main reason for that was the lifting of restrictions on banking loans in January 1991. For example, contractors are able to go directly to the banking sector to satisfy certain financing requirements, which had been excluded in the past.

With regard to cash and direct financing markets, the issuing of treasury notes continued to be limited to large companies, under the restriction of several conditions, which causes it to be closed to an important part of savings potential.

OMAN

Chamber of Commerce Head on Privatization

92AE0620A London AL-SHARQ AL-AWSAT in Arabic
25 Aug 92 p 11

[Report from Oman: "Omani Merchant Leader Ya'qub al-Harithi: The Private Sector in the Sultanate Does Not Have the Courage To Seize State-Provided Opportunities"]

[Text] Ten months ago, a few weeks after he assumed his new duties, the chairman of the Omani Chamber of Commerce told AL-SHARQ AL-AWSAT that he rejected and would seek to remove the Ministry of Commerce and Industry's patronage of the chamber, that he will try to reform the chamber's unsuccessful internal committee system, and that chamber participation in dozens of ministerial committees and government agencies is a burden that undermines the performance of the chamber and its chairman and that should be lifted.

The current status of the private sector raises many questions, and the ties that link it to the government and to the public sector have chained it down in irons that it is unable to shed. The private sector is able to react when the government makes a move, but it stands still if the government takes no action. The private sector, in spite of the large profits it realizes, is incapable of finding the motivation to move and act on its own at a time when the government wants it to be stand on its own fees, handle its own affairs, make its own decisions, and undertake its own projects without government involvement. The government hopes that by doing so, the private sector would develop for its own fertile and vital niche that the government can depend on to fill the vacuum that will inevitably occur when oil revenues decline. The private sector, meanwhile, seems adamant to remain motionless unless the government makes the first move.

It is indeed incredible that the private sector does not fully utilize the unique and exciting advantages available to it, especially in industry, which the government considers replete with opportunities to diversify sources of national income. The private sector does not seize those opportunities or fight for them. Rather, it is the government that induces and coaxes by all means at its command. Private sector response, if at all, is weak and reticent.

Despite the facilities of integrated industrial cities; despite concessionary loans of up to 125 percent of the capital for individual projects outside Muscat; despite customs privileges and tax breaks for profits from commerce; despite constant subsidies, even to advertise domestic products; and despite the introduction of a system of export assurance that guarantees importers at least 85 percent of export value if exposed to risks beyond their control—despite all of that, the government still entices, and the private sector demurs.

The government is now called upon to use its own resources to build factories and create and manage projects, as well as promote and market their products. Only then, after profitability is assured, may the government offer them for sale to the private sector, freeing the government to undertake more of the same.

That concept is advocated by Shaykh Ya'qub al-Harithi, chairman of the Oman Chamber of Commerce and Industry and a leader of Omani merchants. He has occupied that position for almost a year during which he, in his own words, compiled all sorts of private sector data and studies.

AL-SHARQ AL-AWSAT met with him in Muscat for the following interview:

The Patronage Is Over

[AL-SHARQ AL-AWSAT] In a previous interview with AL-SHARQ AL-AWSAT shortly after you assumed the chairmanship of Oman's Chamber of Commerce and Industry, you mentioned a number of problems, one of which was the Ministry of Commerce and Industry's patronage over the chamber. That was almost a year ago. Has that changed?

[Al-Harithi] There is no more patronage, but there is coordination between the two in all fields. Previously, one felt sort of subservient when receiving outside instructions or demands that were intervention in chamber affairs. Things are different now, however, since there is cooperation and coordination in the normal course of business. This is how things now stand.

[AL-SHARQ AL-AWSAT] Do you credit this to the long-standing relationship you have with the minister of commerce and industry, who used to be chamber chairman when you were vice chairman?

[Al-Harithi] This is more of a business arrangement than anything else.

[AL-SHARQ AL-AWSAT] You also mentioned in the previous interview that the chamber and its chairman were impeded by the multiplicity of committees in the Chamber of Commerce and Industry and that the chamber was unable at that time to handle the activities of those committees. To what extent has this changed?

[Al-Harithi] Those committees are absolutely necessary. Our problem was the lack of an apparatus to prepare those committees and to follow up on their recommendations. Things would have been fine if such an apparatus had been created, and this is what we did. We have also put in place the systems, rules and regulations, and mechanisms that this apparatus requires for optimum performance. I now feel comfortable that we are dealing with this in an orderly and effective fashion. My real concern was not over the chamber's internal committees, but over the chamber's representation on and participation in some 20 or 25 committees, ministries, and outside organizations, which imposed a heavy burden on

the chamber and its chairman. We have opted recently to assign those chores to the chamber board members and staff, creating a sort of specialization that renders participation and representation more effectual and more beneficial. Indeed, things are now orderly, and the situation is much improved.

[AL-SHARQ AL-AWSAT] You also had reservations about the chamber's administrative structure. What about that?

[Al-Harithi] Actually, management consultants are still studying the optimum method for restructuring Oman's Chamber of Commerce and Industry. Once their studies are completed, we will take the necessary measures to correct the existing structure.

Loosening the Apron Strings

[AL-SHARQ AL-AWSAT] A long-standing goal of the chamber has been to wean the private sector from the government in order to diversify its resources and lessen its dependence on government action, be it negative or positive. What progress have you made toward that end?

[Al-Harithi] Frankly, it is difficult to loosen the apron strings. I believe that the private sector remains weak because it engages mainly in commerce and services—two elements that rely on state resources—thereby creating a sort of dependency because most economic fundamentals and resources are in the hands of the government. It is vitally important, and it would serve everyone's interests, if the private sector developed self-dependence, but I do not believe that this feasible in the immediate future.

[AL-SHARQ AL-AWSAT] The state of the Omani private sector raises a number of questions. For instance, the government currently offers generous grants and loans for individual and major private sector projects. And yet, those facilities go untapped.

[Al-Harithi] Indeed, the government provides generous facilities for those in the private sector who wish to develop their own projects. This is why I openly say that the Omani private sector possesses neither the initiative nor the fortitude to seize the opportunities that the government thankfully makes available. It has created a development bank and other specialized banks for the private sector, and it offers it credit and various incentives and exemptions. Unfortunately, the private sector has not been sufficiently responsive.

Selling Projects

[AL-SHARQ AL-AWSAT] The private sector has not been motivated by all of those incentives, so what do you think the solution is?

[Al-Harithi] Frankly, I believe that if the state wants the private sector to play a desirable role in industry, for instance, in order to lessen dependence on oil, the government must develop such projects itself, using its own resources. Once the factories or the projects are up

and running, the government would sell them to the private sector to operate and thereby make a contribution to the national economy. The government would then be free to develop other projects. This is one empirical way to develop cooperation and interaction.

This way, we would have developed an alternative to fall back on when oil prices inevitably collapse. Oil is the sultanate's main source of income, and it is our most important resource. It is true that such alternatives will not be a 100 percent, or even a 50 percent, substitute for oil, as optimists and zealots expect, but even 30 percent would certainly be of value in dampening that shock when it occurs.

[AL-SHARQ AL-AWSAT] In your opinion, what is the ratio of non-oil to oil revenues in the national income?

[Al-Harithi] Oil revenues account for 92 percent of all national income. Aggregate non-oil revenues therefore represent 8 percent of the national income and are derived from the industrial, agricultural, fishing, and other sectors. The gap is wide and deep, as you see. We must try more pragmatically to create further industrial substitutes for oil so that we are not dependent on it forever.

[AL-SHARQ AL-AWSAT] If this would revive the sector and ensure its success, how does the government feel about it?

[Al-Harithi] This very same idea was advanced a few years ago, and its supporters were enthused about the idea of having the state itself develop major projects then sell them to the private sector. It did not take long, however, before this was supplanted by a different policy of providing the private sector with grants, loans, and incentives in order to encourage it to initiate such projects on its own with the support of the state. This is the policy to which the private sector has not been responsive.

[AL-SHARQ AL-AWSAT] One would acquiesce then....

[Al-Harithi] (interrupting) There is no acquiescence. This is reality. Sane people do not deceive themselves, and we should not delude ourselves by saying that the private sector could become self-dependent and take the place of the government, or that it is capable of finding an alternative to oil once that resource is depleted. That would be a fantasy. We should be pragmatic, recognize reality, and deal with it.

[AL-SHARQ AL-AWSAT] Are you, for instance, calling upon the state to offer more incentives under the policy it has pursued for almost 10 years in order to propel the private sector?

[Al-Harithi] I am openly saying that the state has given a lot and is willing to offer more. The problem is that the private sector is not responding in the desired fashion or to the desired degree in the income-producing sectors, such as export industries and others. Private sector

participation in this endeavor is therefore not in the cards, at least not in the foreseeable future.

[AL-SHARQ AL-AWSAT] While you, as chairman of the Omani chamber, call upon the government to develop projects and then sell them or transfer their ownership to the private sector, the state has a well-publicized plan to sell its shares in public corporations to the private sector. The plan was announced two years ago, but has not yet been implemented. What is the problem?

[Al-Harithi] The sale of existing government projects is a sound idea that would perfectly serve the purpose and would free the government to develop more productive projects. There are those who believe that the climate is not conducive to the sale of government enterprises and that it would be preferable to wait. I, on the other hand, believe that now is a perfect time for the government to divest itself from those enterprises and revive the concept of privatization that the government has been committed to for two or more years. There is a willingness to invest, and there is adequate liquidity in the financial markets. Therefore, I say that the time is ripe for such a sale, but the government is the ultimate arbiter of whether financial market liquidity is adequate for divestiture.

Appropriate Climate, But...

[AL-SHARQ AL-AWSAT] We notice that several projects are competing for available financial liquidity. These include stock shares, the high-rate government development bonds that are currently available, privatization plans, etc. Do you think that there is adequate liquidity for all of that?

[Al-Harithi] Figures released by commercial banks on their deposits indicate growing liquidity in the financial markets. The Omani Central Bank has taken a wise step by issuing high-rate development bonds that will sop up some of that liquidity while they serve national economy objectives. Even so, liquidity remains adequate to absorb the government's capital share of public companies, and at good prices in case they are sold. This operation is supposed to take place when conditions are favorable and prices are moderate, neither exaggerated nor depressed, and market forces would take it from there.

[AL-SHARQ AL-AWSAT] Many experts have attributed the lackluster performance of Muscat's stock market to the high-rate development bond offerings, which, they maintain, have grabbed the funds invested in stocks. They therefore demand that the bond issues be called off. Do you agree?

[Al-Harithi] This is not true. Bonds are issued by the Central Bank gradually and in moderate quantities in order to avoid disturbing marketplace liquidity. Furthermore, bond investors are different from stock investors. The Central Bank's measure is perfectly sound and is

doing nicely in controlling market liquidity. The problems underlying the exchange's lackluster performance have nothing to do with development bond issues.

On the contrary, it is possible that the bond issues have perhaps shielded the Muscat exchange from experiences similar to those that befell the al-Manakh market in Kuwait. Investors who find no investment outlet for discretionary funds tend to either send those funds abroad or use them to speculate in stocks, thereby creating aberrations such as those that befell al-Manakh. Development bond issues represent a new vessel for soaking up surplus funds in the marketplace.

[AL-SHARQ AL-AWSAT] Doesn't the sharp decline in stock prices on the Muscat exchange give rise to economic worries?

[Al-Harithi] Price declines on the exchange are, in my opinion, natural and reasonable because prices were initially too high when the exchange first began to operate. At that time, stocks represented a major investment opportunity that suddenly became available and attracted most investors. Prices consequently shot up to a "preposterous" degree. Eventually, balance had to be restored. Today's and transaction volume declines are a natural outcome.

[AL-SHARQ AL-AWSAT] Do you believe that the market will return to normal before the end of the year? It has been in the doldrums for more than a year!

[Al-Harithi] Yes, if market liquidity rises and if steps are taken to correct market conditions and the laws that regulate them, such as by allowing GCC [Gulf Cooperation Council] nationals to own shares in public companies, giving joint ventures tax exemption parity with public corporations that are fully-owned by Omanis, and reforming investment laws, etc., then the market will revive.

Pampering the Private Sector

[AL-SHARQ AL-AWSAT] The Omani Government has begun to reimburse private sector companies for training costs and for the salaries of Omanis enrolled in training programs in preparation for taking over jobs currently held by expatriates. My question is, don't you think that the private sector is being pampered to excess?

[Al-Harithi] It is not so much pampering as it is an incentive and a way to get rid of the private sector excuse for not employing Omanis on the pretext that they are not trained.

[AL-SHARQ AL-AWSAT] It is common knowledge that reimbursing the costs of training Omani workers means that private sector institutions will be required to employ those trainees and to achieve "Omanization" quotas. Would you agree that such a measure may go against the private sector's freedom to take any action it deems necessary to achieve its objectives?

[Al-Harithi] Now that "Omanization" has proven successful in the public sector, the state is inclined to promote it in the private sector. There are government agencies whose function it is to promote this endeavor and expand its scope in the national interest of allowing every competent Omani to be employed in the service of his country. It is of the essence, however, that this be accomplished without prejudicing performance, as emphasized by Sultan Qabus on more than one occasion. Omanis are to replace expatriates only after adequate training and without undermining production.

[AL-SHARQ AL-AWSAT] "Omanization" efforts notwithstanding, the number of foreign workers in Oman has increased to 350,000. The current five-year plan creates even more opportunities for expatriates, perhaps amounting to more than 62,000 employment opportunities. Do you think that this undermines the "Omanization" plan?

[Al-Harithi] "Omanization" is a long-range plan. The growth of the Omani work force remains inadequate to meet the general increase in demand for labor caused by the projects that are being implemented. Dependence on expatriate workers will therefore continue for a while.

SAUDI ARABIA

Maritime Company Expands, Improves Services

92AE0637A London AL-SHARQ AL-AWSAT in Arabic
28 Aug 92 p 10

[Report from Riyadh by 'Abd al-'Aziz al-Khamis: "Saudi for Maritime Transport Expands Petroleum Services. Company Bets on Second Half of Year To Recoup Lost Profits"]

[Text] The Saudi National Company for Maritime Transport is planning to expand services for the transport of crude oil, refinery products, and gas under its current five-year plan (1992-96). The company also plans to expand the capacity of its freighter fleet in order to improve performance and [better] serve regularly scheduled routes.

Company general manager Muhammad al-Jarbu' said that the company will soon announce an executive plan based on data and studies and on the various options available to the company.

The company has recently succeeded in bolstering its presence in Arab and Gulf shipping markets and in reducing its intraport turnaround schedule from nearly a month to a mere two weeks. The company's general manager believes that such a timetable is needed by the markets serviced by the company's regularly scheduled routes in the eastern United States, the Middle East, and the Far East.

He added that the plan was well received by all the company's old customers and helped attract new ones. The company also added new ports of call to its routes

and dropped others that were not commercially viable. The company furthermore inaugurated on 15 May 92 a new route to and from the PRC. The company was awarded good facilities for initiating that service, which is the first international route to serve the southern ports of China.

It is to be noted that the company has agreed to increase the capital of the National Company for Chemicals, of which it owns 80 percent and SABIC [Saudi Arabian Basic Industries Corporation] owns 20 percent, from 200 million to 500 million riyals, therefore making it possible to contract for the construction of two petrochemical tankers to augment the fleet of the National Company for Petrochemicals Transport.

The company has also begun construction of a container storage and repair yard at Jiddah's Islamic Port. The land needed for the project has already been secured and implementation of the first stage has already begun.

Al-Jarbu' explained that the company's bottom line may be affected by Saudi Arabia's fine economic recovery in the wake of the Gulf war. The company has also been pursuing a new work plan for regularly scheduled services that it initiated late last year. Company net profits amounted last year to 115 million riyals.

He added that the company has implemented new systems to separate headquarters finances from those of its branches that have now been turned into profit centers accountable for their results. That led to the formation of the Saudi National Company for Maritime Transport (America), which is a juridical entity separately capitalized and fully owned by the mother company. The Regional Center for the Middle East was also founded in Jiddah to oversee company branches in Jiddah, al-Dammam, al-Jubayl, and Dubayy as well as other Middle East agencies. The company also created new divisions at headquarters, such as the Information Systems Center that provides modern and advanced information systems for all company facilities throughout the world; and the Planning and Development Department, which devised the company's strategies and its first five-year plan.

The company has a fleet of 21 ships and freighters with an aggregate capacity of 573,000 deadweight tons in addition to 10,776 containers. The Saudi National Company for Maritime Transport is considered the official national carrier of Saudi Arabia. It has a fully paid capital of 2 billion riyals and is 29 percent owned by the Saudi Government.

It is to be noted that company profits for the first half of 1992 declined by 15 percent from 115.2 million riyals in the same period a year earlier. However, profits for the second quarter of 1992 rose by 22 percent from the first quarter.

The company, in order to highlight accelerating performance, compared recent financial figures for 1990, 1991,

and 1992. There is a great difference in company performance from 1990 to 1992, even though 1991 was an exceptional year in view of the Gulf crisis during which the company, being the national carrier, played a major role in carrying shipments for the allied forces.

Operating revenue profits [as published] dropped by 7 percent to 376 million riyals. Operating expenses also declined but administrative costs rose by 21 percent. Company statements show a 56-percent rise in circulating assets, which are assets that the company owns and uses in its ongoing operations in order to turn them into monetary or like assets within a relatively short period of time, "usually a year or less." Such assets include cash in banks and cash at hand, deposits with banks, payables, and inventories. Company reserves and retained earnings also climbed by 58 percent to 297 million riyals.

Company general manager Muhammad al-Jarbu' underscored 1992 second quarter results to prove the success of company operating policies in improving performance and enhancing services to clients, enabling it to establish new routes the most recent of which has been the first route serving the PRC. The company has likewise achieved its operating targets in Japan, America, and the Middle East and has proven its viability. It expects year-end results to be even better.

The Saudi National Company for Maritime Transport had recently established value parity between its old and new shares after its board approved the distribution of 375 million riyals as dividends for 1991 on profits of 515,308,237 riyals, or 30 percent of share value, disbursing 30 riyals per share to holders of the old shares. The second installment of 15 riyals was covered for holders of the new shares, thereby establishing parity between the two classes of shares since holders of new shares had previously paid 35 riyals. [sentence as published].

It is to be noted that the company has regained the remainder of its capital, about 750 million riyals, actually paid up by shareholders early in 1992. The inflows are expected to help it diversify sources of revenue and initiate new projects.

The company's board of directors has also approved a five-year strategic plan, beginning in 1992, to get involved in carrying crude and petroleum products and to expand in the shipping of petrochemicals and common products. The plan also calls for modernizing the company's existing fleet of freighters by building or buying a number of freighters, establish new profit centers, and continue with administrative restructuring.

The company therefore enters the important and vital field of crude oil shipping, which is a challenge relished by company officials now that they have been highly successful in other fields, such as carrying military equipment in a fast and highly efficient manner. The company is no stranger to petroleum shipping. It is a major partner with SABIC in the National Company for Petrochemicals Transport. The company is experiencing accelerated

activity after its capitalization was increased from 200 million to 500 million riyals and after adding two vessels to bring its fleet to 11 ships. Two more ships are also being built for the company.

The Saudi National Company for Maritime Transport has current investor equity of 2.297 billion riyals for a 60-percent improvement over 1991.

The Saudi National Company for Maritime Transport had the highest profits in 1991 of any comparable company in the Arab world and the Middle East. Year-end statements put those profits at 515,308,237 Saudi riyals for a 500-percent increase over 1990 profits. Company chairman Dr. Muhammad al-Tawil attributes the increase to conditions of the Gulf crisis when the company's fleet, as well as additional leased vessels, were put in the service of the war effort.

Informed sources estimate that the company pressed 18 ships into the service of the war effort, working them continuously for nine months to carry the military equipment used in the Gulf war by American, French, British, and other allied forces.

Officials of the 12-year-old company attributed its improved financial performance to its board-approved new strategy implemented early in 1991. The strategy calls for diversifying sources of income and revamping the company's administrative structure.

Demand for Petrochemical Products Said To Be Up

92AE0637B London AL-HAYAH in Arabic 19 Aug 92 p 10

[Report from Jiddah by Muhammad Jamal 'Itabi: "SABIC Report: World Demand Up for Saudi Petrochemicals"]

[Text] A study by the Saudi Arabian Basic Industries Corporation (SABIC) shows that several industrial sectors, such as autos and construction, are potential major consumers of Saudi petrochemical products. The study adds that gasoline economy laws are expected to stimulate the use of plastics in automobiles, construction, and the manufacture of airplanes and space ships.

The number of Saudi factories that use SABIC plastic products rose from 92 in 1980 to 190 such facilities last year. Demand for SABIC-produced raw materials rose from about 10,000 tons in 1985 to more than 200,000 tons in 1991, according to the study.

The study explains that domestic demand for petrochemical products should rise markedly as long as the base of Saudi domestic industry continues to expand at the rate targeted by the Saudi five-year development plan.

The development of Saudi industry would lessen dependence on imported plastics and would consequently help to substitute the domestic product for many imports. At

present, SABIC accounts for more than 45 percent of net value added contributed to the national income by the entire industrial sector, excluding crude oil.

SABIC has conducted many studies on investment opportunities for the use of its products as feedstock for domestic industries. It contracted with a number of domestic consulting firms for preliminary feasibility studies on second-generation petrochemical industries. SABIC published the data and promoted its dissemination to Saudi chambers of commerce and industry in order to induce interested investors to consider opportunities in that field.

Supplying World Market Demand

Observers expect oil-exporting developing nations to play much larger roles in the future as a high percentage of ethylene-producing petrochemical plants in Europe and Japan reach the end of their design-lives and lose their competitive edge. Furthermore, returns on investment in basic petrochemical products have declined to such a degree that those companies would be disinclined to make additional investments. It would be natural for European companies to focus on future generations of petrochemical end-products and on specialized applications with relatively high returns on investment. Those factors present Saudi Arabia with an opportunity to develop its basic petrochemical productivity, boost exports, and expand world market share.

It is to be noted that Saudi petrochemical industries enjoy a relative advantage in feedstock and that SABIC, when planning its facilities in the mid-70's, focussed on feedstock (naphtha) as the real factor in determining world petrochemical aggregate production costs. SABIC therefore has put great stock in the great advantage Saudi Arabia has in feedstock (natural gas) in competing with others.

SABIC was negatively affected when crude oil and naphtha prices declined sharply just as it began to operate its factories commercially in the mid-80's; yet it was able to persevere, compete, and realize record profits.

SABIC recognizes that in order to safeguard the high relative advantage its petrochemicals enjoy in feedstock, it must develop its internal technological abilities and build a research base to help acclimate imported technologies and improve on them.

SABIC's Industrial Complex for Research and Development is currently under construction and its first experimental facility for polyethylene research has actually begun operations last year-end. SABIC hopes that the research center will be capable in the future of enhancing its existing products, improve production techniques, generate new and better products, develop new technologies, and create climates that encourage and support innovation.

The role of semimanufactured and petrochemical industries with high productive capacities in achieving Saudi industrial development objectives is not limited to operating factories and producing products. That role also involves marketing those products domestically and worldwide. It is obvious that such a plentiful supply of diversified products, the major demand for which lies outside Saudi Arabia, requires a great deal of marketing effort and ability. SABIC has therefore created a number of specialized marketing arms for the purpose.

SABIC has carefully created highly efficient domestic and worldwide marketing networks. The purpose of the Marketing Services Company is to provide various product marketing services from shipping and transportation to insurance and post-sale technical support.

SABIC's emphasis on serving its customers throughout the world with advice and technical support, monitoring problems that may develop with company products, and ensuring compliance with world standards, enabled it to [gain customers in] more than 70 countries of the world.

Because of the diversity of work [business] climates and cultures, and their major impact on [shaping] foreign market specifics, SABIC sought to decentralize by establishing marketing centers in major world markets; and to create a marketing network whose branches, offices, warehouses, and service centers are spread throughout the world. This network is comprised of SABIC-America for Marketing, based in Stamford, Connecticut; SABIC-America for Services, based in Houston, Texas; SABIC-Europe for Marketing, based in London with bureaus in Holland, Germany, Spain, Belgium, and France; SABIC-ASIA for Marketing, based in Hong Kong; and SABIC-Pacific for Services, based in Singapore.

Domestic Marketing

SABIC places special emphasis on domestic markets because it believes that one of its strategic objectives is to support other transfer industries by supplying their raw material needs. It considers such a strategy an effective way to develop and stabilize basic industries and integrate them with the broad base of national transfer industries. SABIC realized when studying domestic markets that the plastics industry has great potential for growth as demand for raw materials rises. SABIC therefore set about developing and implementing a domestic marketing program.

SABIC sales to domestic markets have risen from 9,800 tons when it began operations in 1985 to more than 200,000 tons in 1991. This was accompanied by a corresponding decline in imports of plastic raw materials and finished products despite the considerable growth of import facilities and of the markets for those goods.

SABIC sought to safeguard domestic markets against the shockwaves that were caused in the past by world demand and supply imbalances and by worsening shortages of plastics raw materials, especially in American

and European markets, causing Western concerns to limit their exports to small and distant markets in Asia and the Middle East.

SABIC has given priority to domestic markets and supplies all their needs of basic petrochemical raw materials. This allows owners of local factories to confidently plan for the future. Furthermore, SABIC marketing policies offer many privileges, such as exempting local agents from having to open bank letters of credit and set large sums of money aside. Agents may take advantage of 90-day facilities and of fast deliveries in accordance with timetables set with their participation. Agents are therefore shielded from exchange rate risks and domestic factories can avail themselves of all types of free technical support. Local outfits are preferred as SABIC suppliers of wrapping and packaging materials.

Development of SABIC Production

SABIC has managed since its inception in 1976 to establish and operate 15 industrial complexes that together include more than 33 factories whose aggregate capacity amounted by the end of last year to 13.145 billion tons of chemicals, fertilizers, plastics, and metals.

SABIC, as it continues to support horizontal expansion by building factories with output of the same generation, also seeks to support vertical expansion through the integration and coordination of those factories to help produce future generations of more value-added products. SABIC's quest for high efficiency has enabled its factories to operate at maximum productive capacity.

It is interesting to note that as recently as 1984, SABIC's aggregate production did not exceed 2.7 million tons of methanol and urea fertilizer. Production, however, exceeded 6 millions in tons in 1985, 8.9 million tons in 1986, about 10 million tons in 1987, 10.9 million tons in 1988, upwards of 11 million tons in 1989, and 13 million tons by 1990. SABIC has also greatly diversified its output to 28 products.

Developing Local Manpower

The role of transfer and petrochemical industries in present and future Saudi industrial development is very closely tied to the development of a domestic labor force. Building manpower and developing worker technical skills is a strategic objective for which SABIC has responsibility in the petrochemicals sector.

It is to be noted that even though petrochemical industries are essentially capital-intensive and have relatively modest labor requirements, SABIC endeavored early in its life to attract domestic workers and enroll them in intensive training programs held in conjunction with its various affiliates at home and abroad.

SABIC created advanced training centers as part of its industrial complexes and supplied them with laboratories and modern training equipment in order to provide domestic training for the largest possible number of local

workers. Those efforts bore fruit in that the number of Saudi factory employees, mostly engineers, technicians, and skilled workers, last year exceeded 62 percent of all factory workers.

Transfer Industries

Transfer industries are defined as those industries whose raw material feedstock is highly homogeneous and whose output is also homogeneous. It may therefore be said that all current SABIC industries fall into under this category, be they basic industries (metals, chemicals, fertilizers, and plastics); support industries (gases, oxygen, and nitrogen); or complementary (plastics and similar tributyl ether products).

It is also to be mentioned that long-range Saudi development plans, and especially the 1990-95 five-year plan, have focussed on the vertical and horizontal development of petrochemical industries as well as gas and petroleum products with proven feasibility.

SABIC has always been careful to observe the priorities of the nation's general development plans and to work within their frameworks when mapping out its long-range five-year plans and its investment, production, and marketing strategies, especially where petrochemical industries are concerned. SABIC also endeavors to maintain close cooperation with the private sector, especially in the field of transfer industries.

SUDAN

Labor Minister Speaks After Fleeing Country

92AF1266B London AL-MAJALLAH in Arabic
2 Sep 92 p 16

[Interview of Sudanese Labor Minister George Kinga; place and date not given; "Resigned Sudanese Minister: I Fled to Cairo Via Geneva"]

[Text] Sudanese Labor Minister George Kinga suddenly announced his resignation while on a visit to Cairo (representing the south). His reasons for resigning were contained in a letter he sent to General al-Bashir before he dropped from sight.

AL-MAJALLAH had the following interview with Mr. George Kinga at his residence whose location he does not wish to disclose for obvious reasons.

[AL-MAJALLAH] What are the real reasons for your resignation from al-Bashir's government?

[Kinga] Vicious rumors about me, hostile acts against members of my tribe in Kabuata in the south, and constant intervention in Ministry of Labor affairs. I got to feel like a puppet on their strings and opted to resign immediately. I promptly announced my resignation when I found an opportunity to flee the Sudan.

[AL-MAJALLAH] How were you able to leave the country?

[Kinga] I seized upon the occasion of the International Labor Convention in Geneva and asked Gen. al-Bashir if I could head the Sudanese delegation to the convention and deliver Sudan's remarks. Afterwards, I left Geneva for Cairo accompanied by an assistant secretary-general of the International Labor Organization (ILO), having advised ILO leadership of the reasons for my Cairo trip.

[AL-MAJALLAH] How did you relay your resignation to Gen. al-Bashir? Who received it from you?

[Kinga] Through the Sudanese embassy in Cairo. I handed the resignation to the ambassador and told him it was for Gen. al-Bashir's eyes only. I notified the wire services only after I ascertained that the resignation had been received.

[AL-MAJALLAH] Did you have prior arrangements with Sudanese opposition in anticipation of your resignation?

[Kinga] No. My resignation was a personal and spontaneous decision.

[AL-MAJALLAH] Did you ever consider that al-Bashir's government may retaliate against members of your family and of the Kabuata tribe of which you are chief?

[Kinga] I have a large family; more than 7,000 armed individuals. My tribe is also large, more than 600,000 or 700,000. Al-Bashir will therefore think twice before taking any action.

[AL-MAJALLAH] Have you been specifically threatened with that since your resignation?

[Kinga] The threats have been constant and never stopped since the resignation was announced. They are not all equally serious, though.

[AL-MAJALLAH] Do you intend to pursue political action from Cairo or will you join the ranks of the National Democratic Alliance?

[Kinga] I will resume political activity. It is premature to consider joining the National Democratic Alliance.

[AL-MAJALLAH] Is it true that the Sudanese leadership is currently sponsoring terrorist training camps?

[Kinga] Such camps indeed exist outside the capital city of al-Khartoum. Specifically, they are located along the Sudanese-Libyan border.

TUNISIA

Mezhoud Comments on Parliamentary Membership

92AF1292C Tunis REALITES in French 24 Sep 92 p 4

[Interview with Mrs Neziha Mezhoud, newly appointed secretary of state in the Ministry of Social Affairs, by C.G.: "We Shall Do Honor to the Arabs"; place and date not given]

[Text] Mrs. Neziha Mezhoud, recently appointed secretary of state in the Ministry of Social Affairs in charge of social advancement, has just won another victory: She has just been elected to the Executive Bureau of the Inter-Parliamentary Union, beating out three other candidates from Venezuela, Mexico, and Iran.

Even though Tunisia has been a member of the Union since the 1960's, never has it held a post of such importance. On the occasion, Mrs. Mezhoud kindly granted us a brief interview.

[C.G.] What was discussed at this session of the Union?

[Mezhoud] We spoke of two items on the agenda, specifically, international policy and how parliaments can help strengthen diplomacy. A third point was added dealing with Third World debt. Tunisia expressed its views in accordance with guidelines and instructions from the chief of state. Actually, we asked for a readaptation of our debts in order to channel them toward development projects while developing our partnerships.

It should be noted that Sweden was the first country to recycle Tunisian debts by redirecting them toward projects having to do with protecting the environment. Other subjects connected with events shaking the world were discussed and resolutions were passed.

[C.G.] Is there any possibility that the resolutions will in fact be carried out?

[Mezhoud] Each nation's parliament has to take action to implement the resolutions. Unfortunately, foreign policy is often out of parliamentary hands. Even if the agreements and conventions pass before being adopted by parliaments, an Inter-Parliamentary Union nevertheless remains an effective means of exerting pressure. Whatever the case, every time the Union's General Assembly meets, four commissions follow-up and evaluate resolutions.

For example, we are concerned about strengthening the United Nations and the safety of deputies (two were killed in Togo). We try to intervene when members of parliament are accused.

[C.G.] Can Tunisia, as a member of the Executive Bureau, invite the General Assembly to convene on its soil?

[Mezhoud] Unfortunately, that is not possible because Israel is part of the Union and it is forbidden to invite Israelis to set foot on Tunisian soil. This is a shame because it would have a major impact on tourism, particularly since our country has a rich history and civilization. Nevertheless, I think it will come later. Time must be allowed to do its work.

In addition, our country does not have the infrastructure to accommodate over 1,000 persons.

[C.G.] Are there any Arab countries that do not belong to the Union?

[Mezhoud] Yes, unfortunately: Algeria, Libya, and the Emirates. Algeria used to be a member, but ever since the chief of state dissolved Parliament, it has no longer belonged to the Union. At the present time, Algeria is making a timid effort to regain its place as a member.

[C.G.] As a Tunisian, what can you contribute to the Union?

[Mezhoud] Arabs expect a great deal from the Executive Bureau. We shall pass resolutions that will do honor to just causes, democracy, and human rights.

Marzouki Comments on Impact of Maastricht Treaty

92AF1292B Tunis *REALITES* in French
24 Sep 92 pp 14-15

[Article by Moncef Marzouki: "Maastricht and Us"]

[Text] Moncef Marzouki was invited by Jean-Pierre Chevenement to attend the first convention of the Citizens Movement just held in Belfort on 30 August. The issue of the Maastricht Treaty, whose ratification by France in a referendum on 20 September was the subject of bitter debate, dominated the convention. Marzouki presented the South's views on this vital question to the body. He expressed to *REALITES* his own thoughts inspired by a close reading of the treaty and the major clash on the text now being played out in the Northern Mediterranean.

Twelve European nations are in the process of linking their fates by a fundamental treaty at a time when, in the Southern Mediterranean, the UMA [Arab Maghreb Union] has never known such hard times or the nation been so divided.

The famous Maastricht Treaty, which the Danes have rejected, the Irish accepted, and around which a great political battle is being waged in France, where the treaty will be accepted or rejected on 20 September, unfortunately remains largely unknown to us. Of course, we are not being called upon to decide on the matter. We may not have the power, but we do have the right, for Maastricht's impact on us could be considerable. In the Northern Mediterranean, will they hear, if not our voices, then at least the expression of our legitimate concerns?

The question dividing the Europeans and the French: "Is Maastricht good for us?" is posed in the same way for the peoples in the South, even if debate is conspicuous by its absence on this side of the Mediterranean. Europe will not be built like a galaxy in a vacuum, but rather, as a human ensemble, dependent on and influencing other human ensembles with which it shares a close relationship, particularly in the East and the South.

There is no obvious answer to the question, "Is Maastricht good for the South?," inasmuch as the South is itself as heterogeneous as Europe and the parameters as complex and problematic.

And yet, one can calculate and extrapolate a number of effects hinted at, not so much by the articles themselves, as by the quarrels and interpretations given to them by the Europeans.

Confining ourselves to the "Near South," comprised of the Arab shore of the Mediterranean, Maastricht could have considerable effects and repercussions on at least three domains: economic development, domestic policy, and security.

Thwarted Development

Article 1 of the protocol on social policy stipulates that "the objectives of the Community and its member nations include the advancement of employment, improved living and working conditions, adequate social protection, social dialogue, and the development of human resources resulting in a high level of employment."

Is this objective compatible with the means allocated to attain it, to wit: "respect for the principle of an open-market economy with free competition," budgetary discipline (Article 104C), stability of prices as the main objective (Article 105), along with public financing, sound monetary conditions, and a stable balance of payments (Article 3A)?

The anti-Maastricht forces are right to point out that these are all the ingredients of a deflationary economic policy that imposes austerity and increased unemployment on all European countries.

If such is then the case, and given the fact that "Near Northern Europe" is by far the leading economic partner of all countries in the Southern Mediterranean, the harmful effect on fragile, threatened development would be almost immediate. The first negative impact: a worsening of the situation of our emigres as a result of heightened racism, always linked to unemployment and a raising of the barriers of the European fortress vis-a-vis any emigration.

In this connection, it is striking to see what the Maastricht lawmaker writes. Highly cautious about the way in which he would "unite overseas countries and territories," (Article 3R), he is, in contrast, quite loquacious about visas and deportations in case of any sudden influx (Article 100C).

"The fight against immigration and the undocumented stay and work of nationals of third countries within the territory of member nations" (Article K1) is deemed vital, as vital as the fight against drug addiction, which comes immediately after this article in the text. This spatial connection of two orders of danger is more than outrageous; it is revelatory.

In order to stench the flow of the new barbarians, aid to development is a sound alternative, but how can this be when the highest body, to wit, the future European Central Bank, is an organization that can neither "solicit nor accept instructions from Community institutions or organs, the governments of member nations, or any other organization"? Can such an apolitical policy, obsessed solely with price stability, reducing budget deficits, and the market economy, be a factor of development for the South, now forced, in order to survive, to export at any cost and, in particular, develop infrastructure projects whose immediate profitability is often nil? It is also obvious, when one realizes that the South exports more capital to the North than it receives, that the iron law of the market can only aggravate this phenomenon.

Democracy and Human Rights: Boost or Brake?

In the treaty and all that might flow from it, can the democratic trend find what it needs to back its plan of an Arab political and economic community based on the EEC model? It apparently can because the Maastricht Treaty stipulates that one of the foreign policy and European common security objectives depends on "the development and strengthening of democracy and the state of law, as well as respect for human rights and fundamental freedoms" (Article J1). And yet, the question is this: How would the peoples in the Southern Mediterranean perceive an ideology simultaneously covering an economic policy that is hard on exports, hard on emigrants, obsessed with stability and, therefore, too likely to favor the most repressive regimes because they are generally the most stable, at least outwardly. The concepts of democracy and human rights could well experience the same antipathy that was directed during the war in the Gulf, to the concept of international legality, which is itself too closely connected with Western intervention and war against an Arab country.

The paradox of a technocratic and monetaristic Europe would be precisely that of being the worst advocate of democracy, as necessary as strictly material development for Southern countries and the development of peace on both sides of the Mediterranean.

Security for Us

"Strengthening the security of the Union and its member nations in all forms" is the general foreign policy and common security objective (Article J1).

The question posed is the following: Given the disappearance of the Soviet Union and its East European extension, what is the source of the danger? In these changing times in which we have but a potential enemy, any defense strategy must necessarily be an all-points plan, but many elements indicate that the Southern front will be more closely watched than others. This could be one of the explanations for the war in the Gulf, like all the brouhaha about Algeria's nuclear ambitions a year ago.

The sole worry for the European fortress, now rid of any danger in the East and ready to integrate the former Soviet empire into its sphere of influence, would come from an unstable and explosive South, which would only become more so with every passing day if its economic and democratic development were to be checked. Here we are extrapolating, open to the accusation of making the treaty say what it does not say, but the peoples of the South, traumatized as they are by the war in the Gulf, have every reason in the world to be distrustful.

European-Arab Relations

The Arab world has every reason to want to see the emergence on its northern borders of a united, democratic, and steadily growing Europe.

The idea of true citizenship and of a European Community cannot fail to revive, even out of mimicry, the moribund idea of an Arab nation, an idea which the failure of Nasserism, the war in the Gulf, and the Islamist tidal wave discarded a bit too hastily. A Europe of the peoples, in which democracy is first and foremost the work of a civil society and of an associative, community fabric, could, without any fear or mental reservations, be a powerful ally of democratization—being promoted with the difficulties of which we are only too aware—by the civil society emerging in the South. A growing Europe would by definition drive growth in the South, and these intertwined factors would be the real guarantee of the security of both in a zone of Euro-Arab coprosperity. I do not personally believe that the Maastricht Treaty moves in that direction, but rather, unfortunately, in precisely the opposite.

Opposition Parties Revive Publications

92AF1292A *Tunis REALITES in French* 24 Sep 92 p 9

[Article by Lotfi Hajji (summary by Mohamed Bouamoud): "New Session: Blah!"]

[Text] What do the opposition parties have in store for us in the political year ahead, a year they hope will be a democratic takeoff different from what has gone before? We may as well come right out and say it: Not much, aside from great hope coupled with a dash of optimism, an unenviable situation that they attribute to a failure, first of all, to keep many promises, which embarrasses those same parties with their followers and public opinion as well, and second, the collective boycott by a public opinion that takes pleasure in blaming the weakness of the opposition without thereby participating significantly in the advent of the multiparty system and the building of the democratic process.

What we are seeing in the parties is something one could call an opposition within the opposition. One group, the optimists, think their efforts toward an internal reorganization and dialogue with the government are by and large sufficient to achieve certain goals, while the second group, made up of the pessimists, view the matter as far more complex than the creation of a newspaper or the

institution of a dialogue amounting to little more than a formality. For Mohamed Harmel, the new year should evolve outside this hollow circle since the existing parties have everything to gain from a far more radical revision of their views. RSP [Progressive Socialist Rally] Political Bureau member Rachid Khachana goes so far as to condemn the notion of a "new political year." How can one speak of a "new political term" when the political scene has not evolved a bit, but rather, has deteriorated even further? One has but to recall that a dozen weekly newspapers, seven related to the party and three independents, have been silenced, newspapers that once carried a patriotic dialogue in which diverse intellectual and political factions participated."

Reorganization

Most opposition parties are rushing about during this period trying to reorganize and bring new personnel on board in order to become more effective.

The PUP [People's Unity Party] has developed a strategic program aimed at providing itself with a natural posture within Tunisian society. Bel Hadj Amor plans to set up new regional and local structures and promote contacts with existing federations. Along the same lines, the UDU [Unitarian Democratic Union] will hold a Central Council meeting from 10 to 12 October in an attempt to revise its structures. Abderrahmane Tlili plans to have federal congresses appoint political leaders for the coming legislative elections.

Within the framework of the internal organization of the MDS [Movement of Socialist Democrats], the Action Committee is continuing its talks with the parties concerned while awaiting detailed reports to submit to the Political Bureau and Organizational Committee. The PCT [Tunisian Communist Party] intends to meet the challenge of mobilizing more resources in order to build a new party that could be called the Party of Democratic Renewal. The RSP will rely more on its internal organization, which Mohamed Khachana says requires time for reflection in order to put an end to the neutralization of the role of parties and organs of the press disguised as a fight against religious extremism.

Information

The most interesting point to note is that a majority of all opposition parties plan to revive their press organs in order to revive the information process. The UDU will devote its Central Council meeting scheduled for the 19th and 20th of this month to a discussion of information. The Council will debate the issue in terms of: internal party information, which will be strengthened by the return of the newspaper EL WATAN; and a revision of the responsibility of information within the party and its reorganization for a more effective presence on the media scene.

For its part, the PUP continues to publish its organ AL WAHDA, which Bel Hadj Amor says has begun to move in a direction allowing it to reach a wider readership.

Among the causes to be taken up by the newspaper are economic and social issues such as health, education, transportation, housing, and purchasing power. Khachana goes on to say that "we owe it to ourselves to restore our citizens' confidence and hope in the Tunisian experience, their parties, organizations, and organs of the press. This would not be possible without major changes in the political environment in the form of freedoms, transparency, the multiparty system, and democracy. The era of the single party is long gone nearly everywhere in the world."

Mohamed Harmel pledges to publish the second and third issues of the newspaper ATTARIK AL JEDID as announced and in keeping with a regular schedule for a newspaper whose new orientation is an in-depth treatment of "real issues," while moving away from fallacious propaganda.

Elections

For the legislative elections scheduled for April 1994 (or six months before), political parties are already planning greater effectiveness. In that sense, the MDS Political Committee is taking a close look at the election issue in order to submit its final suggestions and proposals for the Election Code.

Concerning the election question to be debated by the High Committee of the National Pact, the RSP believes it is "a very important issue, but one that moves away from the prime question relating to the democratic process. It is an issue which, in order to ensure the advent of the multiparty system, absolutely requires an examination of information and elections and a revision of laws on political organization, enabling the citizen to choose what party he will join."

REALITES Editor Encourages Positive UGTT Role

92AF1292D Tunis REALITES in French 24 Sep 92 p 3

[Editorial by Taieb Zaher: "And What If the Earth Did Not Turn for Some?"]

[Text] Are Tunisian businesses able, without sustaining major damage, to stand up to competition from foreign products that will flood the Tunisian market when our borders are opened? Are our products sufficiently competitive to penetrate foreign markets? In a word, can our economy, which has been sound for the past two years—growth of 8 percent is anticipated in 1992—continue to be healthy?

While it is not now our purpose to challenge the liberal choices of our economy, which must be regulated by market laws, it is nevertheless up to management and unions alike to adapt to new requirements. Otherwise, our relative prosperity would be merely ephemeral and the risk of implosion would wait in ambush.

Let us cease living off illusions and have the courage to look reality in the face.

With Europe '93, Tunisia risks no longer enjoying the privileged position it once did for its exports. We already have one painful example with the slump in textile exports during the first half of '92. Moreover, the limitations of our market, the absence of Maghrebian perspectives, and our weak presence on markets outside of Europe are all handicaps for our industry. At a time when a general awareness is necessary in order to find appropriate solutions, we are now witnessing social bargaining of another age that could well become enmired and create a climate that would not be healthy for our development.

While it is the right of labor unions to demand wage increases for their members linked to the decline in their purchasing power, is this an appropriate time to try to renegotiate all social conventions? Is it not time for the UGTT [Tunisian General Federation of Labor] to undergo change and, while retaining its promotional role, become a participatory union seeking to develop and consolidate business, sole source of the creation of wealth? Must we not confront demagoguery with work and effort, which must in turn be properly rewarded? Why not conceive and propose a different form of remuneration for the worker, one that takes his productivity into account? Why not give up the current wage system that encourages idleness?

For its part, management must also undergo change and espouse the modern demands of management. A few captains of industry have understood this and the rest must not lag behind. They must in turn imagine new relations with the working world and organize in order to face the shock of the opening of the market (mergers, reorganizations, alliances with foreign partners are all paths to explore).

Today Tunisia must be proud of its entrepreneurs. They deserve greater support and understanding from the government as it develops a united society.

UNITED ARAB EMIRATES

Bank Performances for 1991

92AE0618A Dubayy AL-BAYAN in Arabic 1 Aug 92 p 3

[Text] National and foreign final bank statements showed that these banks have been capable of overcoming the various difficulties that came about as a result of domestic and international developments.

Many objective factors that impact on the performance of the national banks were responsible for the development of those capabilities. Stability in the country's oil revenues in 1991 compared to those of 1990, in spite of large fluctuations in oil prices over the last two years, is one aspect of those capabilities. Another capability is the fact that national banks acquired, along the years, from their involvement with world banking systems, good

experience, which enabled them to maintain great flexibility in dealing with unfavorable conditions, that the Gulf states encounter every now and then.

Financial developments arising from the Gulf incidents clearly demonstrate this flexibility and adjustment to new situations. Transfers abroad, which followed the Iraqi invasion of the state of Kuwait, impacted negatively on banks in general, and national banks in particular.

Yet, domestic banks endorsed requests for transfers without putting any obstacles. Again, in the second quarter of 1991, domestic banks were ready to meet the demands that arose after the liberation of Kuwait, especially regarding financing both huge commercial transactions, and absorbing deposits that began to return to the Gulf region states.

Final statements for 1991 for 11 out of 19 national banks and 21 out of 28 foreign banks indicate considerable progress in the performance of both kinds of banks. Profits of this group of national banks increased by 109.9 percent.

Combined deposits of the national and foreign banks remained almost stable, amounting to 83.3 billion dirhams in 1991 compared to 83.6 billion in 1990.

From available information, one generally notices a decline in the ratio of loans to deposits in national banks. This ratio was 54.2 percent, 51.6 percent and 48.8 percent for 1989, 1990, and 1991 consecutively. This ratio increased in the foreign banks to 77.0 percent and 69.0 percent for the last two consecutive years.

Certainly, in both national and foreign banks, the loans to deposits ratio would still differ from one bank to another. Besides, as financial markets are limited, so too are financial investment tools. Banks could, in the future, contribute to the development of those financial markets by means of introducing new investment tools.

The stability that is expected to prevail in the Gulf region over the coming years will provide favorable conditions for domestic banks to expand their loan policies, and to adopt advanced investment tools. These banks possess technological and human resources that enables them to effectuate quality developments in banking services offered to the state's various economic sectors. These services could amount to 1.065 billion dirhams in 1991, compared with 507.5 million in 1990. Bank profits for the 21 foreign banks increased by 21.9 percent from 225.8 million dirhams in 1990 to 275.2 million in 1991.

It should be noted from the previous data that national and foreign banks maintained stability for their assets during the Gulf crisis. Although profits declined in 1990 compared to 1989, they increased again in 1991.

Dividend percentages are considered important indicators of bank performance over different periods of time. Data in the accompanying table show considerable increase in dividends last year.

In the same period, although interest rates on the dirham declined, deposits remained stable. In 1990, total deposits in national banks increased by 8.5 percent compared to 1989; they declined by 4.4 percent last year

compared to 1990. Deposits in foreign banks also declined by 5.3 percent in 1990 compared to 1989. They recorded a considerable increase of 24 percent last year compared to 1990.

Special Indicators of Bank Performances in Emirates, 1998-91
(billion dirhams)

Year	Assets		Profits		Dividends (percent)	
	National	Foreign	National	Foreign	National	Foreign
1989	94.9	19.7	1.1	0.264	10.2	17.0
1990	97.8	19.5	0.614	0.242	5.8	16.0
1991	92.8	22.7	1.0	0.275	10.7	18.2

Agricultural, Industrial Production, 1991

92AE0618B *Dubay AL-BAYAN in Arabic 1 Aug 92 p 2*

[Text] The sixth of August 1966, the day his royal highness Al-Shaykh Zayid bin Sultan Al-Nahyan assumed power in Abu Dhabi principality, is considered a historical day in the Gulf region's history, because of all the positive changes that have been achieved in Abu Dhabi and the United Arab Emirates [UAE].

This day was a landmark because of the tremendous economic, social and political changes that took place in Abu Dhabi and the UAE. Those changes have also had their impact and repercussions on the whole Gulf region, as well as on the Arab world and the world as a whole.

The weekly economic report reviews the most important economic indicators of those changes from a local, regional, and Arab perspective. This report also reviews those changes from Zayid's viewpoint, because he is the leader of the authentic Arab people of Abu Dhabi, who live in the most important region in the world, economically, strategically, and militarily.

Zayid's assumption of power in Abu Dhabi in 1966 marked a victory over conservative policy that feared quick development. Since the beginning of his rule Zayid aimed to achieve two goals. The first was to uplift his principality from underdevelopment. The second was to try, in the shortest time possible, to unite the Gulf region. What Zayid wanted to achieve could be described as: turning the desert green with one hand, and holding the unity lantern with the other.

In this framework of action, the following was achieved.... Abu Dhabi's economic structure changed from a traditional one based on agriculture, pastoralism, fishing, and the pearl industry to a developed and diversified one. This economic change was the result of ratifying and executing a number of economic plans and development programs in Abu Dhabi. Much was achieved according to the first Five-Year Plan 1968/77. The Abu Dhabi National Bank was established in 1968. The Abu Dhabi National Petroleum Company and Abu Dhabi Fund for Arab Economic Development were established in 1971. Later, the Abu Dhabi Planning Commission prepared the three-year economic and

social development plan. This was followed by numerous annual plans and programs that were aimed at diversifying Abu Dhabi's income sources, and the attainment of a more balanced national economy. The goals of these plans also included the rapid development of sectors other than the petroleum sector. These other sectors would include the agriculture and housing sectors. The plans also aimed at laying the foundation for industrialization, the developing of human resources, and the provision of basic infrastructure and services for the far-lying regions.

As a result of planned development, Abu Dhabi's gross domestic product [GDP] increased from 37.2 billion dirhams in 1988 to 44 billion in 1989, and to 55.8 billion in 1990. This meant that the annual rate of growth was 18.3 percent in 1989 and 1990, consecutively. Nonpetroleum GDP increased from 24.8 billion dirhams in 1988 to 27 billion in 1989 and to 29 billion in 1990; the annual rate of growth was 9.1 percent and 7 percent in 1989 and 1990, consecutively.

Commodity sectors contributed 66.7 percent to Abu Dhabi's GDP, distributed as follows:

- 1.5 percent agriculture;
- 48 percent extractive industries and petroleum;
- 9.6 percent manufacturing;
- 2.1 percent water and electricity;
- 4.9 percent construction and housing.

The services' sector contribution amounted to 33.9 percent of total GDP, distributed as follows:

- 6.3 percent wholesale and retail trade and hotels and restaurants;
- 3.7 percent transportation and communication;
- 4.4 percent housing;
- 3.9 percent financing and insurance;
- 14.4 percent government services;
- 1.3 percent other services.

It should be noted that the production sector, which includes agriculture, manufacturing, and water and electricity, contributed 13.2 percent to total GDP. This is a

big percentage compared to the same sector's contribution in the Emirates as a whole. This sector's contribution in the Emirates GDP did not exceed 9 percent, for the same period.

Care has been given to the development of the agriculture sector. The cultivated area in the principality exceeded 20,000 hectares in 1990. Also in 1990, crop production of vegetables, dates, and fruits was worth 662 million dirhams compared to 342 million in 1988. Total value of manufacturing production increased from 6.6 billion dirhams in 1988 to 9.2 billions in 1990.

Per capita consumption of water increased from about 50,000 gallons in 1988 to 55,000 in 1990. Generated electricity increased from 6.6 billion kilowatt/hour in 1988 to 7.8 billion in 1990.

December 2, 1971, marks the establishment of the United Arab Emirates state. Within a few years, the Arab Emirates procured not only its importance as a political entity playing a role suited to its natural location and size on the world map, it also became an important economic power. At the domestic level, an affluent society was created, petroleum revenues were used to provide citizens with necessary services, education, medical care, housing and job opportunities. Freedom of movement with no restrictions or limitations was extended to private capital. Private capital was also encouraged to participate in construction activities. Sources of income other than from petroleum were also explored. The state has also done its best to develop manufacturing, agriculture, and mineral exploitation. The state also tried to have a more equitable distribution of a part of petroleum revenues, aimed at including the largest portion of the population. Needless to say that all these undertakings helped activate the economy.

The Emirate population's provision with social and economic benefits are also witness to the states's successful endeavors in the domestic arena. Important among those benefits was providing housing; diverse health and educational services; transportation; water supply and electricity; and other services to the people. One of the goals of providing those benefits to citizens was to make each individual feel that he/she got personal gains both for his/her daily life and for the lives of his/her children in the future. Another major goal of giving the people social and economic benefits was to increase peoples' participation. This increased participation would strengthen the Union, and gain popular support for it.

The federal government achieved many undertakings in the area of infrastructure, such as roads, ports, schools, hospitals, and domestic and international communications. These achievements narrowed the gap between the Emirates and other parts of the advanced world.

Since the establishment of the Union in December 1971 through 1991, there has been an annual growth rate of GDP of 16.7 percent. The volume of products increased from 6.5 billion dirhams in 1972 to 121.2 billions in

1991. The volume of general consumption amounted to about 72 billion dirhams in 1991. The balance of trade recorded a surplus of 27.6 billion dirhams, and domestic investments amounted to 24.2 billion dirhams. Manpower increased to more than 700,000 workers in 1991.

In 1991, the combined balance sheet of commercial banks increased by 4.6 billion dirhams to reach the figure of 134.6 billion. Last year, the state embarked on the implementation of a big plan to develop the petroleum and gas industries. This development plan comprised different areas such as exploration; development of petroleum and gas reserves; increasing production capacity for crude oil, liquid gas, petroleum products, fertilizers, and other industries.

Covering the Gulf region, the Arab Gulf States Cooperation Council was established, and the Agreement for Economic Unification was signed in November of 1981. The agreement stipulates the gradual coordination and unification of economic, financial, monetary, industrial, and commercial policies for all states in the Cooperation Council, with the aim of achieving a unified economy for all these states.

To emphasize its support of Arab development, Abu Dhabi's Fund for Arab Economic Development provided 5.69 billion dirhams in loans up to last February, of which 1.215 billion was provided last year. These loans contributed to the establishment of 100 projects in 42 countries all over the world.

Loans amounting to 4.57 million dirhams were extended to 13 Arab countries for the establishment of 55 projects. Nine African countries received 369 million dirhams in loans to finance 26 projects.

Eight Asian countries received 466 million dirhams in loans from the Fund to finance 11 projects. Three other countries received 288 million dirhams in loans to finance eight projects. Projects financed by the Fund belonged to different sectors such as agriculture, manufacturing, services, and basic infrastructure.

WESTERN SAHARA

Arab Specialists Predict War Will Resume

93AF0009A *Algiers ALGER REPUBLICAIN in French*
11-12 Sep 92 p 5

[Text] The war will resume in the Western Sahara because of the Moroccan Government, which, flouting international law, engages in a policy of the fait accompli. This evaluation was made Thursday by Georges Montaron, editor of the newspaper TMOIGNAGE CHRETIEN, and Martine de Froberville, an expert on the Arab world, co-authors of a report on the Western Sahara written after a visit to the region in March.

The report's authors believe that King Hassan II's announcement of the regionalization of the Sahara is a "provocation" that "greatly risks igniting the powder in

the former Spanish colony by driving the Saharans to resume their fighting" and "constitutes a de facto annexation of the territory, contrary to the provisions of UN resolutions and in flagrant violation of the peace plan."

The Polisario [Front for the Liberation of Saguia el Hamra and Rio de Oro] and the government of the Saharan Democratic Arab Republic (SDAR) had previously condemned "vigorously" Moroccan King Hassan II's statement that: "he will proceed to institute a system of regionalization of Morocco, beginning with the occupied territories of the Western Sahara."

For its part, the UN Security Council has asked Morocco and the Polisario Front to "make exceptional efforts to ensure the success of the (UN) plan."

In a letter to UN Secretary General Butrus-Ghali and officially published in New York on Tuesday, Security Council President Li Daoyou (China) emphasizes "the need for the parties to scrupulously respect the provisions of the cease-fire and abstain from all provocations that might compromise the success of the plan of settlement."

Security Council members also "express the hope that both sides will lend full support to the secretary general and the special representative (of the United Nations) in their efforts to speed up implementation of the plan."

Finally, they have agreed to "maintain the current deployment and personnel of MINURSO" (UN Mission for the Referendum on the Western Sahara, made up of some 375 officials, including 200 military observers).

Polisario London Official Appears in Tindouf

92AF1262B London AL-SHARQ AL-AWSAT in Arabic
10 Sep 92 p 4

[Article by Moncef Salimi]

[Text] Rabat—Well-informed sources have told AL-SHARQ AL-AWSAT that Kamal Likhyar (36 years old), former Polisario [Front for the Liberation of Saguia el Hamra and Rio de Oro] representative in London recently appeared in Tindouf camps three years after disappearing. The sources affirmed that Likhyar, who is also known by the name "Mohammad al-Aghdafi," is the son of Ibn-al-'Abadiah, a prominent member of the Sahrawi tribes, was a few days ago seen in Tindouf camps. He was in a very poor health, which leads to the belief that he was detained in (al-Rashid) prison in al-Rabwani.

Conflicting reports were heard about his fate before his sudden reappearance. The Polisario spread the rumor that its former representative in London, who held several diplomatic posts in Africa, was in Morocco. Later it implied that he was with the Algerian authorities and that he sought refuge in the Mauritanian Embassy in Algiers.

His family in Morocco did not know his whereabouts until some returnees from Tindouf camps confirmed that he suddenly appeared in those camps. It is recalled that several international bodies intervened and exerted pressure for Likhyar's release.

On another level, well-informed sources said the Polisario leadership has made some changes in its internal and diplomatic organs in Tindouf, as well as in its embassy in Algiers.

The sources said the changes have led to the expulsion of a large number of those affiliated with the al-Ruqaybat tribe to which Ibrahim Hakim, former foreign minister of the so-called Saharan Democratic Arab Republic [SDAR], and its ambassador in Algiers, belong.

Ibrahim Hakim Discusses Political Developments

92AF1262A London AL-SHARQ AL-AWSAT in Arabic
10 Sep 92

[Interview with former Polisario minister Ibrahim Hakim by Moncef Salimi in El Aaiun—date not given]

[Text] Ibrahim Hakim is a founding leader of the Polisario [Front for the Liberation of Saguia el Hamra and Rio de Oro]. For a long time he occupied the post of foreign minister of what used to be called the Saharan Republic. Recently Hakim returned to Morocco and, soon afterwards, took part in the campaign for voting in favor of the amended constitution. AL-SHARQ AL-AWSAT met with Hakim in El Aaiun, the biggest of the Sahara towns, following his participation in a speech rally in support of the new constitution.

In the interview he spoke about the amended constitution, the coming elections, and his views regarding developments of the Sahara problem. The following is the text of the interview:

[Salimi] How would you describe your return to Morocco after 20 years of confrontation, beginning with Tindouf camps and the earlier diplomatic and political fronts?

[Hakim] First, I consider myself a Moroccan citizen who left his social and cultural milieu for a period of time spent in exile, and has now returned to his homeland. Morocco is a big river comprising internal forces whose waves sometimes cause a high tide and at other times low tide.

[Salimi] When the river is in a low tide, does it attract elements from outside it?

[Hakim] I reject the terms rallying around or coming under because the matter here concerns returning to the root and to the truth. Culturally, I did not break with my country because what continues to bind me to this country is allegiance to it, the allegiance that bound my grandfathers and the Saharan tribes to the Moroccan King.

[Salimi] But you have spent half your life confronting Morocco. Doesn't your return give you a sense of being torn apart?

[Hakim] Never. On the level of political awareness and thought I do not feel torn apart. But in fact I do feel torn on the social level because a part of me remains attached to the camps in Tindouf. With regard to my political thought, as a politician I consider myself responsible for my options for a specific period of time, but I am not dogmatic. My belief in Islam protects me from falling into dogmatism. Therefore, the matter concerns development of understanding political matters.

[Salimi] When did your understanding of political matters begin to change?

[Hakim] In fact, change began in the course of time. But the first stage of my experience with the Polisario was influenced by youth, during the development of conditions and the situation in Morocco itself, especially after Moroccan King Hassan II's appeal in 1988. Differences occurred between me and Mohammad Abdelaziz concerning the future of Polisario and its options. Differences broke out during 1988 when major confrontations took place inside the camps. Since then I have been advocating the need to resort to reason.

[Salimi] What were the points of your basic differences with Abdelaziz?

[Hakim] Briefly, my call for changing the Polisario philosophy was in order to keep abreast with international and regional trends. In my view the Polisario has turned into an organ for suppressing the Sahrawis. What is required is to change the Polisario from being a separatist movement to a unification movement, particularly since there is in Morocco an opportunity for all the Sahrawis. What is important is the Sahrawis should return to their historical perspective, something that the Polisario cannot argue against. It is unacceptable that the refugees should remain to live in a state of a near siege sitting in a minefield since the beginning of the 1988 crisis, and that the crisis should continue forever. The internal statutes of the Polisario "Front" will lead to its disappearance, and the battle it is currently waging is taking place in a vicious circle. It is rejected by the great majority of the Sahrawi people.

[Salimi] UN Secretary General Butrus-Ghali recently addressed an appeal to both parties to the dispute in the Sahara to show more flexibility. How do you understand this appeal under the present circumstances?

[Hakim] Reading the UN secretary general's appeal leads us to understand that it is addressed to the Polisario because it is now creating obstacles before the UN plan by refusing that all the Sahrawis should participate in the referendum.

[Salimi] In your opinion, what is behind the Polisario Front's behavior and how do you visualize the future of the UN peace plan?

[Hakim] The UN referendum is a way out of this situation, but it is facing difficulties with the Polisario in Tindouf that refuses the participation of all the Sahrawis in the referendum.

[Salimi] In fact, the group in Tindouf wants the situation to continue and does not want the referendum to take place because it will definitely be in favor of Morocco because the Polisario is a group that cannot shoulder international responsibilities. In fact, it is exercising certain authority over a number of people. It is benefiting materially and, therefore, it rejects the referendum. Therefore, I believe that the fact that the great majority of the Sahrawis live in Morocco's regions, it is necessary that the Sahrawis besieged in Tindouf camps should return [home]. I believe that this would enable those people to express their views inside Morocco.

[Salimi] The Moroccan constitution, which was endorsed in a referendum on 4 September, gives particular importance to the "regional" [al-jihah]. Do you envision a political solution within this framework?

[Hakim] I believe that the idea of decentralized democracy contained in the constitution submitted by King Hassan II is not a narrow idea; it is broad and it includes all of Morocco's provinces [aqalim] and regions [jihah]. With regard to the Saharan question, I believe that the new constitution, with the great opportunities it provides for decentralization, is a factor that would encourage the reasonable Sahrawis to return to Morocco.

[Salimi] You recently said following your return to Morocco that you maintain your position as a Polisario official. Does this mean that you will continue to exercise this role in the name of the Front, particularly since a number of founding leaders now live in Morocco?

[Hakim] Exercising certain tasks on behalf of the Polisario is another matter. What matters for us here as officials and politicians is to muster the will to solve the problem and restore Morocco's unity.

[Salimi] As a Polisario ambassador to Algiers you met with Algerian officials at the highest level. You said that you sensed a change in the Algerian situation. What are the features of this change?

[Hakim] The matter concerns a principled trend and change in the Algerians' attitude.

[Salimi] Since when did you notice the beginning of this change?

[Hakim] Since when did you observe this change?

[Salimi] Since about six months.

[Hakim] Since the arrival of late Boudiaf to power?

[Salimi] It can be said that the idea began to gain momentum since the era of Chadli Bendjedid. In fact it is a change in stance and a new realization by Algerian officials that it is impossible to create a state in the

Sahara. Second, they [the Algerians] told us that the solution of the Sahara problem is inside Morocco.

[Salimi] Have any specific ideas been put forward in this regard that you think will be discussed at the imminent Moroccan-Algerian summit?

[Hakim] It is a trend from which we deduce that things will return to normal. I believe that an important development will occur in the field of cooperation between Morocco and Algeria and within the framework of the Arab Maghreb Union [UMA]. We are aspiring for the Arab Maghreb to become a reality.

[Salimi] Until recently the UMA has been in a stalemate. How far is the Sahara problem affecting its progress?

[Hakim] The repatriation of the Sahrawis to Morocco will considerably help UMA progress. In fact, solving the problem is part of the efforts to purify the atmosphere among all those concerned in order to build the Union. I believe that ending the Sahara problem and recognizing the right of a big power member state of the Union to unity, would put the UMA on the right track.

[Salimi] Do you intend to resume your work in the diplomatic field in the interest of the Moroccan problem?

[Hakim] I believe that my return and the return of a large number of Sahrawis to Morocco has helped to bring about important changes in the Polisario diplomacy. I believe that the first thing we should do is to take up the

matter with the UN High Commission for Refugee Affairs in order to lift the siege on the Saharans in the camps and end their misery. Otherwise, I consider myself to be a citizen like all Moroccans and my principal concern is to support Morocco's integrity.

[Salimi] If you were offered a nomination by Moroccan parties for the coming elections, which party will you choose?

[Hakim] So far I belong to the big party, which is Morocco.

[Salimi] Are you considering establishing a party for the Sahrawis that believes in Morocco's integrity and operates in Morocco?

[Hakim] No, never.

[Salimi] Why not?

[Hakim] Because it does not agree with my political options.

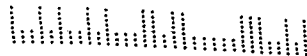
[Salimi] Does this mean that you refuse the idea of establishing a party on regional or tribal basis?

[Hakim] Yes. I believe that it is not a sound idea. Why should we abandon a new and broad democratic field and go to lesser and narrow things? I believe that sound democratic thinking is based on particular political principles, away from any other narrow considerations.

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